



INSTITUTE OF GOVERNMENT  
STUDIES LIBRARY  
DEC 21 2000

UNIVERSITY OF CALIFORNIA

## CITY OF LAGUNA BEACH

### **CITY COUNCIL**

Bobbie Minkin, Mayor  
Martha Collison, Mayor Pro Tem  
Neil Fitzpatrick  
Robert F. Gentry  
Dan Kenney

**Kenneth Frank, City Manager**

### **PLANNING COMMISSION**

Mary Fegraus, Chairperson  
Becky Jones, Chairperson Pro Tem  
Elizabeth M. Brown  
Gary Jenkins  
Wayne Peterson

### **HOUSING ELEMENT CITIZENS ADVISORY COMMITTEE**

Ann Barker, Chairperson  
Ben Blount  
Randy Bugna  
Bob Earl  
Linda Hagood  
Stephen Kohler  
Dorothy Mather  
Sandra Read  
Steve Riggs  
Charlotte Jean Stal  
Helen Summerell  
Miles Thomas  
Judy Wander  
Andy Wing

### **HOUSING COMMITTEE**

Stephen Kohler, Chairperson  
Matthew Rayl, Vice Chairperson  
Donald H. Hargraves  
Vicente Mas  
Dorothy Mather  
Helen Summerell

### **DEPARTMENT OF COMMUNITY DEVELOPMENT: PARTICIPATING STAFF**

June W. Catalano, Director  
Kyle Butterwick, Assistant Director  
Doug McIsaac, Planner  
Maureen O'Halloran, Planning Assistant  
Larry Coleman, Planning Intern  
Sally Kennedy, Administrative Secretary

**CITY OF LAGUNA BEACH HOUSING ELEMENT**

Adopted by the City Council  
on May 21, 1985

Resolution No. 85.40

**Amended October 30, 1990**

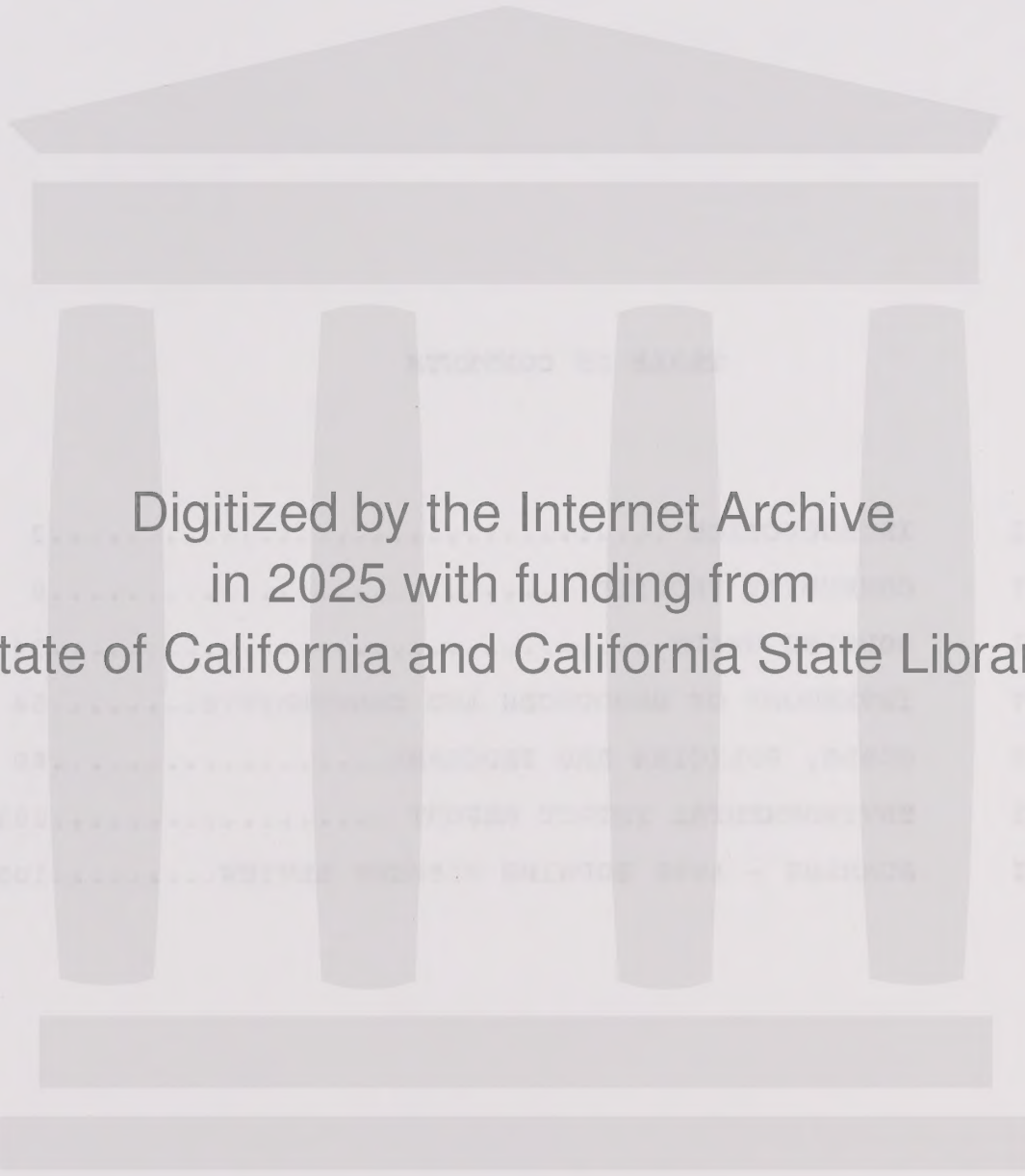
Resolution No. 90-101





## TABLE OF CONTENTS

|             |   |     |
|-------------|---|-----|
| SECTION I   | INTRODUCTION .....                          | 3   |
| SECTION II  | COMMUNITY PROFILE .....                     | 8   |
| SECTION III | HOUSING NEEDS .....                         | 34  |
| SECTION IV  | INVENTORY OF RESOURCES AND CONSTRAINTS..... | 54  |
| SECTION V   | GOALS, POLICIES AND PROGRAMS.....           | 68  |
| SECTION VI  | ENVIRONMENTAL IMPACT REPORT .....           | 101 |
| SECTION VII | SUMMARY - 1990 HOUSING ELEMENT REVIEW.....  | 105 |



Digitized by the Internet Archive  
in 2025 with funding from  
State of California and California State Library

<https://archive.org/details/C124907591>

## SECTION I: INTRODUCTION





## SECTION I: INTRODUCTION

### LEGISLATIVE HISTORY AND AUTHORITY

The California State Legislature has declared that:

--The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order.

And that:

--Local and state governments have a responsibility to use the powers vested in them to facilitate the improvement and development of housing to make adequate provision for the housing needs of all economic segments of the community.

Local governments are required to adopt a Housing Element that examines local housing needs and problems and establishes the community's plan for addressing them. In application, the Housing Element serves as a guide for making decisions on housing matters and represents a commitment to specified actions.

Housing Elements have been required by the State as part of local general plans since July 1, 1969. In 1980, new and more detailed requirements for Housing Elements were instituted under Article 10.6 of the State Government Code (Section 65580 et al.), which requires that elements include:

1. An assessment of existing and projected housing needs and an inventory of resources and constraints relevant to meeting these needs.
2. A statement of goals, policies and quantified objectives.
3. A program of scheduled actions to implement policies and achieve goals and objectives.

The State Code requires periodic review of each locality's element and amendment at least every five years to reflect the results of that review. The following information provides a historical overview of the Laguna Beach Housing Element.

### HISTORY OF THE LAGUNA BEACH HOUSING ELEMENT

The Housing Element of the Laguna Beach General Plan was first adopted on October 2, 1974. Pursuant to requirements of Article 10.6 of the Government Code, revisions to the Housing Element were prepared in December of 1981 and May of 1985.



The 1985 version of the Housing Element was prepared in response to the revision requirements of the State Code. These modifications included:

1. Use of detailed 1980 Census data in the needs analysis.
2. Incorporation of the SCAG Regional Housing Allocation Model (RHAM).
3. Updated policies and action programs.

Also in 1985, the element had been substantially revised in format. This was done in order to bring the Housing Element into conformity with the same general format established for the revised Land Use and Open Space/Conservation Elements.

The 1990 Housing Element amendment provides an evaluation of the effectiveness of the housing goals, objectives and policies in contributing to the attainment of the State housing goal; the effectiveness of the Housing Element in attainment of the community's goals and objectives; and the City's progress in implementation of the Housing Element. Importantly, the 1988 SCAG Regional Housing Needs Assessment figures have been added.

#### **CITIZEN PARTICIPATION**

Formal citizen involvement in City housing matters has occurred on a continuous basis since 1972, when a citizens' committee was appointed to assist in preparing the City's first Housing Element. Following adoption of the Housing Element in 1974, a standing Housing Committee was appointed to act as an advisory body on housing issues. In addition, the City established a standing Human Needs Committee to act as an advisory body on the special needs of Laguna Beach residents.

In 1980, the Housing Committee developed a comprehensive list of goals and objectives for the 1981 Housing Element. During the 1985 revision process, the Housing Committee provided input into the identification and analysis of current housing issues.

During the 1990 review and amendment process, three publicly noticed Housing Committee meetings were held and the Planning Commission conducted several study sessions and public hearings. Legal notices were published in local newspapers for the hearings and notices were mailed directly to community groups and neighborhood associations.

#### **INTEGRATION WITH OTHER GENERAL PLAN ELEMENTS**

The Government Code requires that the elements of a local general plan comprise an integrated and internally consistent set of policies. Furthermore, Article 10.6 of the Code requires housing elements to

identify the means by which they will achieve consistency with other elements. This section outlines the relationship of the Housing Element to other elements with respect to these requirements.

#### **A. Land Use Element**

The Land Use Element establishes the amount, location and maximum density of land designated for residential development. Consequently, opportunities for new housing production are greatly affected by the element. The opportunities for new housing provided by the Land Use Element, particularly high density housing, are limited. Land use designations were developed in recognition of the City's established pattern of land use and also numerous environmental and infrastructure constraints. Coordination with the Housing Element is achieved through special consideration within the Land Use Element in the form of increased densities when the purpose is to provide affordable housing. The policies and programs of the Housing Element, in turn, have been designed in recognition of the development parameters posed by the Land Use Element.

#### **B. Open Space and Conservation Elements**

The Open Space and Conservation Elements primarily address the protection and preservation of the City's sensitive hillside and coastal open space areas. The Housing Element recognizes the importance of preserving valuable open space and its policies and programs are designed in observation of these planning goals. While open space preservation does affect the amount of land available for housing production, local areas of high open space value are not generally suitable as sites for high density, affordable housing. Consequently, the goals and objectives of these two elements can generally be pursued without significant conflict.

#### **C. Circulation and Scenic Highways Elements**

The Circulation and Scenic Highways Elements provide basic parameters for traffic generation and flow and for enhancing the appearance of traffic corridors. Moreover, these elements are intended to establish policies on street capacities and acceptable service levels in order to balance new development opportunities with remaining capacities. This may have a restrictive effect upon new housing opportunities in areas serviced by congested streets. In order to balance this with the goals of the Housing Element, future revisions to the Circulation Element should examine the feasibility of giving special consideration to affordable housing projects with respect to traffic impact limitations.

#### **D. Seismic and Public Safety Elements**

The Seismic and Public Safety Elements are primarily vehicles for identifying natural hazards that must be considered in planning the



location, type and density of development. In some cases, the policies of this element can serve to restrict the availability of land for housing development or add to the cost of housing by requiring special construction measures. The planning standards established in this element, however, are essential for providing safe housing and cannot be compromised under any circumstances. The policies and programs of the Housing Element, therefore, must fully recognize the standards of the Seismic and Public Safety Element. Observance of these standards will promote the construction of safe and sound housing in the City.

#### **E. Noise Element**

The Noise Element is intended to protect community residents from noise that would jeopardize their health or welfare. With respect to housing, the Noise Element establishes a maximum noise level for the interior of a residential structure. In instances where housing is proposed close to major noise sources, structural mitigation measures may be necessary to reduce interior noise. This will incrementally add to the cost of housing construction. These costs, however, are unavoidable and are not likely to significantly impact overall housing prices.

#### **F. Historic Resources Element**

The Historic Resources Element seeks to promote preservation and rehabilitation of the hundreds of historically significant homes and buildings in Laguna Beach. This goal not only helps to preserve the community's cultural heritage, but also works to improve the quality of the City's older housing and maintain the affordable housing opportunities that it offers.

#### **ORGANIZATION OF THE HOUSING ELEMENT**

The Housing Element is organized into six sections that have been developed to address the requirements of State law. This first section provides background information on State and local housing requirements. Section II describes the profile of the community's population and housing stock. Utilizing this information as a data base, Section III analyzes existing and projected needs for housing within the City. In Section IV, the resources and constraints relevant to meeting the housing needs are discussed. Section V establishes the goals, policies and actions of the City in attempting to provide needed housing. Section VI addresses the environmental effects of the element.



## SECTION II: COMMUNITY PROFILE



## SECTION II: COMMUNITY PROFILE

The information presented in the following community profile is, for the most part, based on the 1980 U.S. Census. In conjunction with the U.S. Census, the City also participated in a neighborhood statistical survey which compiled population and economic statistics according to neighborhood boundaries, as shown in the attached map. These areas were aggregated into larger subareas of the community, to provide additional stratification of Census information. Together, this breakdown of Census information enables the City to accurately compare and contrast the demographic characteristics of the community. The major topics in this section are divided into three categories which examine historic data trends, city-county growth profiles and neighborhood characteristics. Employment characteristics and trends are discussed in the Land Use Element and are incorporated herein by reference.

1990 Census information had not yet been compiled at the time of the State mandated 1990 Element review and amendment. The figures presented herein, for the most part, reflect the 1980 Census figures and will be updated upon receipt of finalized census information. Tables reflecting population figures, housing units and household sizes have been updated, since this information was readily accessible from the Department of Finance.

It is important to note that the City annexed the South Laguna area in 1987. This annexation resulted in the addition of over 5,000 people to the City. During the same year, the City annexed Old Top of the World (Jan. 1) and Allview Terrace (Oct. 20). A large segment of Laguna Canyon was annexed July 1, 1989.

In addition to updating tables compiled from 1990 Census data, information on the newly annexed South Laguna area must be collected, analyzed and compiled. Since much of this information is expected to be obtained from the 1990 Census report, a minimal amount of South Laguna data was included in the 1990 Housing Element.

The following excerpt from the South Laguna Specific Plan has been provided in an effort to understand the status of the existing housing conditions in South Laguna.

"The South Laguna area has a limited number of affordable housing units in the form of mobile homes or rental units concentrated into two general areas. There are two mobilehome parks which provide a total of approximately 426 mobile homes. Although the rent levels and economic status of the inhabitants have not been verified, it is likely that many of these units fall within the category of affordable. It is also believed that a significant number of affordable housing opportunities exist in the form of second units or granny flats. Most of these occur within the "Village" area. Currently there is insufficient data to identify how many of these units might currently meet the "affordability" criteria. In addition, many of these units were built illegally and are being amortized.

Market pressures in the village area encourage the improvement and upgrading of the existing housing stock in this area through rehabilitation, remodeling and additions, thus tending to reduce the amount of affordable housing that may now exist in the area. Elsewhere in the community, few if any affordable units presently exist insofar as the stock is predominantly good quality single-family detached or ocean oriented apartments and condominiums.

Present market dynamics suggest that without a planned effort, the community of South Laguna will increasingly evolve into a middle-upper income residential enclave. For example, as elderly old timers (who may have fairly low incomes) vacate their old homes, they tend to be replaced by younger, more affluent households who can afford the high present market values of these homes. Similarly, the availability of a large market of affluent potential renters makes it attractive for existing landlords to upgrade their rental properties and to cater to this market. Active efforts to preserve and expand local affordable housing opportunities will be necessary to offset these forces and preserve some type of socio-economic balance. The number of desirable affordable units is essentially open-ended given the range of possible opinions as to what should be an effective socio-economic balance for the community in future years."

## **1. POPULATION AND HOUSEHOLD CHARACTERISTICS**

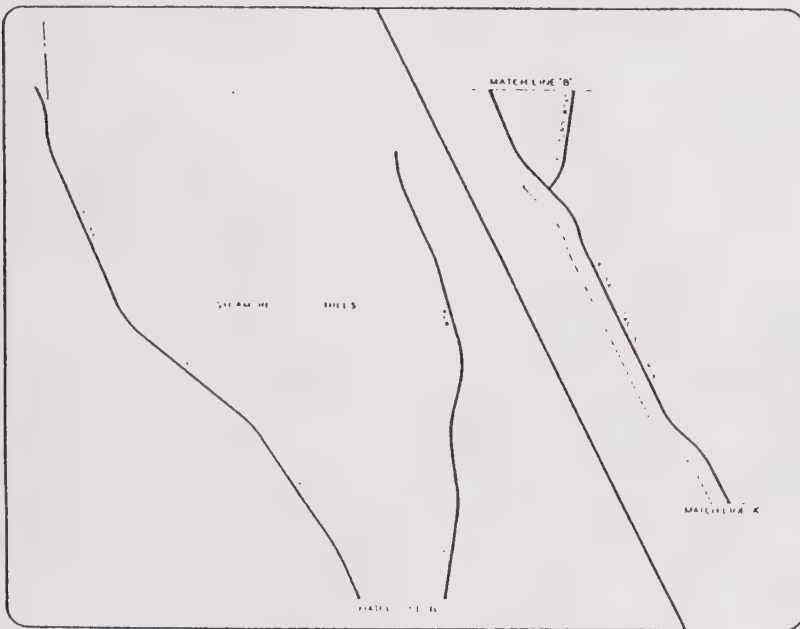
### **A. Population Growth Trends**

**Historical Trend.** Over time, the population of Laguna Beach has grown steadily but not dramatically. The largest increase occurred between 1930 and 1940, when the City's population more than doubled, increasing at an average annual rate of 8.5%. Throughout the period from 1940 to 1970, the population growth rate remained relatively steady at between 3% and 5% per year. During the 1970's, the City's rate of population growth declined. The growth rate decreased to 2.1% per year between 1970 and 1980 and dropped even further to 0.7% from 1980 to 1984.

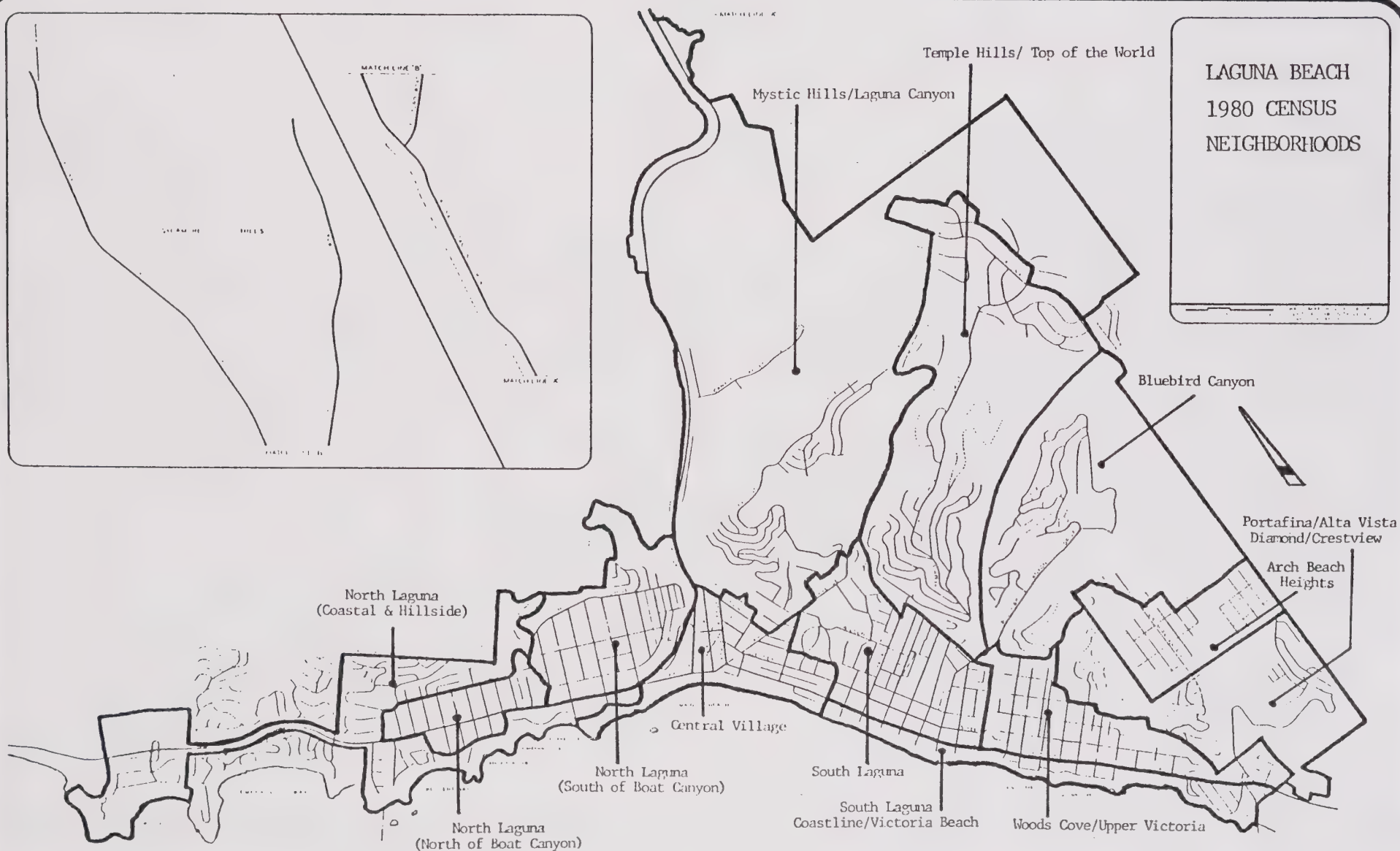
During the years between 1984 and 1988 the City's population increased by approximately 6%. This increase is due primarily to the City's annexation of the South Laguna area which added over 5,000 people to the City. In reviewing this section of the Housing Element, it is important to realize that 1980 census figures and therefore most tables do not include the annexed areas.

**County Comparison.** Since 1940, the population of Orange County has consistently grown at a more rapid rate than the population of Laguna Beach. The peak of the County's growth trend occurred between 1950 and 1960 when the population of Orange County more than doubled while the population of Laguna Beach increased by only a little over one-third. The County's faster growth rate is further evidenced by the fact that, between 1950 and 1984, Laguna Beach's population tripled, while Orange County's population increased by almost ten times.





# LAGUNA BEACH 1980 CENSUS NEIGHBORHOODS



City of Laguna Beach



# CENSUS STATISTICAL SUB-AREAS

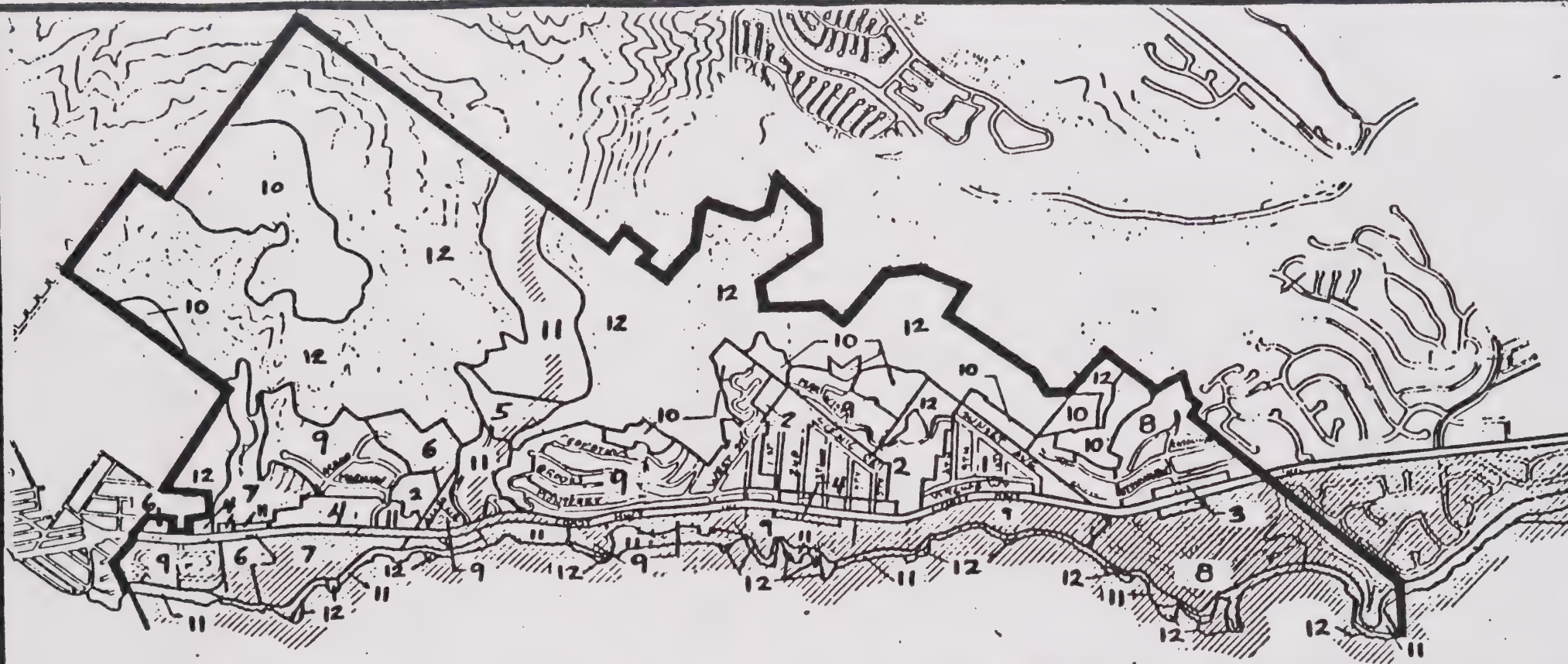
SCALE MAP IN METERS  
1:50,000  
DEPT. OF LAND & NATURAL RESOURCES  
OTHER MAPS IN SERIES: 100,000, 200,000, 300,000



City of Laguna Beach







# ZONING MAP

## SOUTH LAGUNA

### LEGEND:

- 1 VILLAGE COMMUNITY
- 2 INSTITUTIONAL
- 3 LOCAL BUSINESS/PROFESSIONAL
- 4 COMMERCIAL - NEIGHBORHOOD
- 5 COMMERCIAL HOTEL-MOTEL

- 6 R-3
- 7 MOBILE HOME
- 8 THREE ARCH BAY
- 9 R-1
- 10 HILLSIDE MANAGEMENT/CONSERVATION

- 11 RECREATION
- 12 OPEN SPACE



The City's relatively slow population growth is also apparent in comparison to other cities in Orange County. Of the County's 26 cities, Laguna Beach is one of only five cities that did not see their population at least double between 1960 and 1980.

**TABLE 2-1**  
**POPULATION GROWTH (1)**

| <b>LAGUNA BEACH</b> |                          |                        |  |
|---------------------|--------------------------|------------------------|--|
| <b><u>Year</u></b>  | <b><u>Population</u></b> | <b><u>Increase</u></b> | <b><u>Average Annual Growth Rate</u></b> |
| 1930                | 1,981                    |                        |  |
| 1940                | 4,460                    | 2,479                  | 8.5%                                     |
| 1950                | 6,661                    | 2,201                  | 4.1%                                     |
| 1960                | 9,288                    | 2,627                  | 3.4%                                     |
| 1970                | 14,550                   | 5,262                  | 4.6%                                     |
| 1980                | 17,901                   | 3,351                  | 2.1%                                     |
| 1984                | 18,440                   | 539                    | 0.7%                                     |
| <b><u>1988</u></b>  | <b><u>24,247</u></b>     | <b><u>5,807</u></b>    | <b>1.5%*</b>                             |

\* Increase attributed to annexation of South Laguna area in 1987.

<sup>1</sup> State of California, Department of Finance, Population Research Unit: Controlled Population and Housing Estimates.

# ORANGE COUNTY (1)

| <u>Year</u> | <u>Population</u> | <u>Increase</u> | <u>Average Annual<br/>Growth Rate</u> |
|-------------|-------------------|-----------------|---------------------------------------|
| 1930        | 118,674           |                 |                                       |
| 1940        | 130,760           | 12,086          | 1.0%                                  |
| 1950        | 216,224           | 85,464          | 5.2%                                  |
| 1960        | 703,925           | 487,701         | 12.5%                                 |
| 1970        | 1,420,386         | 716,461         | 7.3%                                  |
| 1980        | 1,932,709         | 512,323         | 3.2%                                  |
| 1984        | 2,066,498         | 133,789         | 1.7%                                  |
| <u>1988</u> | <u>2,238,721</u>  | <u>172,223</u>  | <u>7.6%</u>                           |

## B. Household Composition

This section examines the family structure of households in Laguna Beach. Since different types of households need or prefer different types of housing, this information can be useful in assessing the physical housing needs of the City.

Households are classified as "family" households or "non-family" households. "Family" households are those in which the head of household lives together with one or more related persons. "Non-family" households consist of a group of unrelated persons or a single person living alone. Laguna Beach is rather unusual in that there are actually more non-family households (4,429) than family households (4,126).

<sup>1</sup> State of California, Department of Finance, Population Research Unit: Controlled Population and Housing Estimates.



**TABLE 2-2**  
**HOUSEHOLDS BY COMPOSITION (1980)**

|                                  | <u>Number</u> | <u>Percentage</u> |
|----------------------------------|---------------|-------------------|
| Total Households                 | 8,555         | 100.0             |
| Family Households                | 4,126         | 48.2              |
| Married Family Households        | 3,258         | 38.1              |
| Male-Headed Family, No Wife      | 239           | 2.8               |
| Female-Headed Family, No Husband | 629           | 7.4               |
| Unrelated Family Households      | 4,429         | 51.8              |
| One Person Households            | 3,166         | 37.0              |
| Male Households                  | 1,463         | 17.1              |
| Female Households                | 1,703         | 19.9              |
| Two or More Person Households    | 1,263         | 14.8              |
| Male-Headed Households           | 845           | 9.9               |
| Female-Headed Households         | 418           | 4.9               |

**TABLE 2-3****POPULATION BY HOUSEHOLD TYPE AND RELATIONSHIP (1980)**

|                          | <u>Number</u> | <u>Percentage</u> |
|--------------------------|---------------|-------------------|
| Total Population         | 17,901        | 100.0             |
| In Family Households     | 11,807        | 66.0              |
| Householder              | 4,126         | 23.1              |
| Spouse                   | 3,258         | 18.2              |
| Other Relatives          | 4,049         | 22.6              |
| Non-Relatives            | 374           | 2.1               |
| In Non-Family Households | 6,010         | 33.6              |
| Male Householder         | 2,308         | 12.9              |
| Female Householder       | 2,121         | 11.9              |
| Non-Relatives            | 1,581         | 8.8               |
| In Group Quarters        | 84            | 0.5               |

**Historical Trend.** There were substantial changes in family composition in the City between 1970 and 1980. During that decade, the City experienced an increase of 1,986 households. The increase, however, was comprised of 1,625 non-family households and only 333 family households. As a result, the percentage of non-family households rose from 42.5% of all households in 1970 to 51.8% in 1980, while family households decreased from 57.5% to 48.2%. Less than 10% of the 1,986 added households were married.

**County Comparison.** As previously noted, non-family households in Laguna Beach outnumber family households. Laguna Beach is one of only two cities in Orange County in which this circumstance occurs. (Seal Beach is the other.) The proportion of non-family households in the City (51.8%) is almost twice the Countywide proportion of 28.2%.

**Neighborhood Comparison.** Of the three City sub-areas, the two Coastal sub-areas have household composition characteristics that are very similar to one another, with 59.7% of all households classified as non-family. By contrast, only 36.8 % of the Hillside area households are non-family.

**TABLE 2-4**  
**HOUSEHOLDS BY COMPOSITION (1980)**

|                        | HILLSIDES<br>No. | %     | COASTAL NORTH<br>No. | %     | COASTAL-SOUTH<br>No. | %     |
|------------------------|------------------|-------|----------------------|-------|----------------------|-------|
| Total Households       | 2,972            | 100.0 | 2,492                | 100.0 | 3,091                | 100.0 |
| Family Households      | 1,877            | 63.2  | 1,029                | 41.3  | 1,220                | 39.5  |
| Married Families       | 1,588            | 53.4  | 813                  | 32.6  | 857                  | 27.7  |
| Male-Headed Families   | 74               | 2.5   | 66                   | 2.6   | 99                   | 3.2   |
| Female-Headed Families | 215              | 7.2   | 150                  | 6.0   | 264                  | 8.5   |
| Unrelated Family Hh's  | 1,095            | 36.8  | 1,463                | 58.7  | 1,871                | 60.5  |
| One-Person             | 597              | 20.1  | 1,130                | 45.3  | 1,389                | 44.9  |
| Two or More Persons    | 498              | 16.8  | 333                  | 13.4  | 489                  | 15.8  |

**C. Household Sizes**

This section examines households by the number of persons they contain. Overall, households in Laguna Beach are relatively small in size, with an average of 2.08 persons in 1980. Nearly three-fourths of all the households in the City are comprised of only one or two persons. Owner-occupied households (2.37 persons per unit) are larger than renter-occupied households (1.76 persons per unit) by an average of 35%. The majority of owner-occupied households contain two persons (40.8%), while renter-occupied households predominantly contain just one person (50.5%).

**TABLE 2-5**  
**PERSONS IN HOUSEHOLDS (1980)**

| Household Size    | All<br>Households | %     | Owner-Occupied<br>Households | %     | Renter-Occupied<br>Households | %     |
|-------------------|-------------------|-------|------------------------------|-------|-------------------------------|-------|
| 1 Person          | 3,166             | 37.0  | 1,135                        | 25.0  | 2,031                         | 50.5  |
| 2 Persons         | 3,175             | 37.1  | 1,851                        | 40.8  | 1,324                         | 32.9  |
| 3 Persons         | 1,105             | 12.9  | 696                          | 15.3  | 409                           | 10.2  |
| 4 Persons         | 734               | 8.6   | 560                          | 12.4  | 174                           | 4.3   |
| 5 Persons         | 264               | 3.1   | 207                          | 4.6   | 57                            | 1.4   |
| 6 or more Persons | 111               | 1.3   | 85                           | 1.9   | 26                            | 0.7   |
| TOTAL             | 8,555             | 100.0 | 4,534                        | 100.0 | 4,021                         | 100.0 |

**Historical Trend.** Since 1950, Laguna Beach has experienced very little change in terms of both the average size of households or the proportions of households of different sizes.

**TABLE 2-6**

**PERSONS PER HOUSEHOLD  
HISTORICAL TREND (1)**

| <b>Year</b>        | <b>Persons Per Household</b> |
|--------------------|------------------------------|
| 1950               | 2.23                         |
| 1960               | 2.10                         |
| 1970               | 2.21                         |
| 1980               | 2.08                         |
| 1984               | 2.11                         |
| <b><u>1989</u></b> | <b><u>2.12</u></b>           |

**County Comparison.** Based on 1984 persons per household, the average household in Orange County is one-third larger than the average Laguna Beach household. The County's owner- and renter-occupied households are also larger than the City's by similar margins. Compared to other cities in Orange County, only one city (Seal Beach) had a lower number of persons per household than Laguna Beach in 1984.

**TABLE 2-7**

**PERSONS PER HOUSEHOLD (1980) CITY/COUNTY COMPARISON**

| <b><u>Household Type</u></b> | <b><u>Laguna Beach</u></b> | <b><u>Orange County</u></b> |
|------------------------------|----------------------------|-----------------------------|
| All Households               | 2.08                       | 2.78                        |
| Owner-Occupied Households    | 2.37                       | 2.99                        |
| Renter-Occupied Households   | 1.76                       | 2.46                        |

**Neighborhood Comparison.** Households within the Hillside sub-area are, on the average, 30% larger than households in either of the two Coastal sub-areas. There are no substantial differences in the proportions of households of different sizes.

<sup>1</sup> State of California, Department of Finance, Demographic Research Unit: Controlled Population and Housing Estimates (1990).

**TABLE 2-8**

**PERSONS IN HOUSEHOLDS (1980)**

| <b>Household Size</b>    | <b>HILLSIDES<br/>Households</b> | <b>%</b>     | <b>COASTAL-NORTH<br/>Households</b> | <b>%</b>     | <b>COASTAL-SOUTH<br/>Households</b> | <b>%</b>     |
|--------------------------|---------------------------------|--------------|-------------------------------------|--------------|-------------------------------------|--------------|
| 1 Person                 | 647                             | 21.8         | 1,130                               | 45.3         | 1,389                               | 44.9         |
| 2 Persons                | 1,186                           | 39.9         | 909                                 | 36.5         | 1,080                               | 35.0         |
| 3 Persons                | 538                             | 18.1         | 239                                 | 9.6          | 328                                 | 10.6         |
| 4 Persons                | 398                             | 13.4         | 142                                 | 5.7          | 194                                 | 6.3          |
| 5 Persons                | 146                             | 4.9          | 47                                  | 1.9          | 71                                  | 2.3          |
| 6 or more Persons        | 57                              | 1.9          | 25                                  | 1.0          | 29                                  | 0.9          |
| <b>TOTAL</b>             | <b>2,972</b>                    | <b>100.0</b> | <b>2,492</b>                        | <b>100.0</b> | <b>3,091</b>                        | <b>100.0</b> |
| Persons per<br>Household | 2.46                            |              | 1.86                                |              | 1.92                                |              |

**D. Age and Sex**

Laguna Beach's population includes a relatively large percentage of persons in the older age groups. Of all City residents in 1980, 83.4% were age 18 and over and 13.6% were age 65 and over. The median age of City residents was 35.0 years.

Overall, males slightly outnumber females in Laguna Beach. The disparity is most evident in the 25-54 year age group, with 4,842 males to 4,038 females (a difference of 20%). Within the 65 year and over age group, though, females outnumber males by almost two to one.



**TABLE 2-9****AGE AND SEX DISTRIBUTION (1980)**

| Age Group    | Total         | %            | Males        | %           | Females      | %           |
|--------------|---------------|--------------|--------------|-------------|--------------|-------------|
| Under 5      | 638           | 3.6          | 323          | 1.8         | 315          | 1.8         |
| 5 - 17       | 2,332         | 13.0         | 1,187        | 6.6         | 1,145        | 6.4         |
| 18 - 24      | 1,902         | 10.6         | 973          | 5.5         | 929          | 5.2         |
| 25 - 34      | 4,079         | 22.8         | 2,194        | 12.3        | 1,885        | 10.5        |
| 35 - 44      | 2,933         | 16.4         | 1,643        | 9.2         | 1,290        | 7.2         |
| 45 - 54      | 1,868         | 10.4         | 1,005        | 5.6         | 863          | 4.8         |
| 55 - 64      | 1,720         | 9.6          | 834          | 4.6         | 886          | 5.0         |
| 65 and over  | 2,429         | 13.6         | 828          | 4.6         | 1,601        | 8.9         |
| <b>TOTAL</b> | <b>17,901</b> | <b>100.0</b> | <b>8,987</b> | <b>50.2</b> | <b>8,914</b> | <b>49.8</b> |

**Historical Trend.** Between 1970 and 1980, Laguna Beach experienced a shift toward a greater concentration of residents in the 25-44 year age group. This age group increased by 3,171 persons between 1970 and 1980, while there was an increase of 180 persons in all other age groups.

Laguna Beach has also experienced a significant change in the distribution of its population by sex. In 1970, females outnumbered males in Laguna Beach by 11%. From 1970 to 1980, however, the City's population grew by 831 more males than females. One notable change in the City's age and sex characteristics was the fact that the number of females age 45 and over declined by 870 between 1970 and 1980 from 3,630 to 3,350.

**TABLE 2-10****POPULATION CHANGE BY AGE (1970-1980)**

| Year                 | Under<br>25 Years | 25-44<br>Years | 45 Years<br>and Over | Total  |
|----------------------|-------------------|----------------|----------------------|--------|
| 1970                 | 4,738             | 3,841          | 5,971                | 14,550 |
| 1980                 | 4,872             | 7,012          | 6,071                | 17,901 |
| Numerical<br>Change  | + 134             | +3,171         | + 46                 | +3,351 |
| Percentage<br>Change | +2.8%             | +82.6%         | +0.8%                | +23.0% |

**TABLE 2-11**

**POPULATION CHANGE BY SEX (1970-1980)**

| <u>Year</u>       | <u>Males</u> | <u>Females</u> | <u>Total</u> |
|-------------------|--------------|----------------|--------------|
| 1970              | 6,896        | 7,654          | 14,550       |
| 1980              | 8,987        | 8,914          | 17,901       |
| Numerical Change  | 2,091        | +1,260         | +3,351       |
| Percentage Change | +30.3%       | +16.5%         | +23.0%       |

**TABLE 2-12**

**MEDIAN AGE (1980)**

| <u>Year</u> | <u>All Persons</u> | <u>Males</u> | <u>Females</u> |
|-------------|--------------------|--------------|----------------|
| 1970        | 37.4 years         | 33.1 years   | 42.7 years     |
| 1980        | 35.0               | 34.2         | 36.4           |
| Change      | -2.4               | +1.1         | -6.3           |

**County Comparison.** The median age of the City's residents, 35.0 years, is 5.5 years higher than the County's median age of 29.5 years. Examining different age groups, the City has a considerably larger proportion of persons in the 25-44 year age group (39.2% to 30.9%) and the 65 year and over group (13.6% to 8.3%). Within the under 25 year age group, the City's proportion is substantially lower than the County (27.2% to 41.4%).

In comparison to other Orange County cities, Laguna Beach ranks high among those with the oldest age characteristics. This is demonstrated in the following table.

TABLE 2-13

**RANKING OF AGE STATISTICS (1980)**

| <b>Age<br/>Statistic</b>                           | <b>Rank of Laguna Beach<br/>Among Orange County<br/>Cities</b> | <b>Cities Ranked Ahead<br/>(In Order)</b> |
|--|--|---|
| Median Age   | Third  | Seal Beach, Newport Beach                 |
| Highest Proportion of<br>Residents Age 65 and Over | Third  | Seal Beach, San Clemente                  |
| Highest Proportion of<br>Residents Age 18 to 64    | Third  | Newport Beach, Costa Mesa                 |
| Lowest Proportion of<br>Residents Age 17 and Under | Second   | Seal Beach                                |

Laguna Beach has a slightly higher percentage of males compared to Orange County, 50.2% to 49.3%. Laguna Beach is one of only four cities in Orange County with the uncommon characteristic of having more males than females within its population.

**Neighborhood Comparison.** Age differences in the City sub-areas are characterized by a higher concentration of younger residents in the Hillside sub-area <sup>2</sup> and a higher concentration of older residents in the Coastal sub-areas. <sup>3</sup> The primary reason for this is that homes in the Hillside areas are generally larger and more conducive to families. The smaller homes in the Coastal areas are better suited for elderly households, which usually contain only one or two persons.

**E. Ethnicity**

The percentage of minorities residing in Laguna Beach in 1980 was relatively low. Caucasians (including persons of Spanish origin) comprise 96.5% of the City's population, with minority groups composing only 3.5%. The most predominant minority group in 1980 was the Asian and Pacific Islander group, representing 1.2% of the City's population.

<sup>2</sup> Approximately 1 1/12 times as many persons 19 years and under (23.5% to 16.1%).

<sup>3</sup> Approximately twice as many persons 65 years and older (17.1% to 8.5%).

**TABLE 2-14**

**POPULATION BY RACE (1980)**

| <u>Race</u>                            | <u>Persons</u> | <u>Percentage</u> |
|--|----------------|-------------------|
| Caucasian                              | 17,267         | 96.5              |
| Black                                  | 96             | 0.5               |
| Asian and Pacific Islander             | 210            | 1.2               |
| American Indian, Eskimo and Aleutian   | 77             | 0.4               |
| Other                                  | 251            | 1.4               |
| <b>TOTAL</b>                           | <b>17,901</b>  | <b>100.0</b>      |
| Persons of Spanish Origin <sup>4</sup> | 768            | 4.3               |

**Historical Trend.** The Laguna Beach caucasian population was reported at 98.2% in 1970 and 96.5% in 1980. The 1970 Census, however, reported only one other racial category (blacks), rather than four as in 1980. Consequently, it is likely that there has been very little overall change in the City's ethnic composition between 1970 and 1980.

**County Comparison.** Orange County has almost four times the proportion of minorities as Laguna Beach (13.6% compared to 3.6%). The number of persons of Spanish origin in Orange County is also several times larger, 14.8% compared to 4.3%. Of the 26 cities within Orange County, only one city (Newport Beach) has a lower proportion of minorities than Laguna Beach. In addition, Laguna Beach has the lowest Asian population of all cities in Orange County.

---

<sup>4</sup> According to Census Bureau definition, persons of Spanish origin may be classified under any race.

**Neighborhood Comparison.** There are no significant differences in the ethnic and racial compositions of the City sub-areas, with caucasians comprising all but a very small portion of the population in each area.

**TABLE 2-15**

**CITY SUB-AREA POPULATION BY RACE (1980)**

| <b>Race</b>                             | <b>Persons</b> | <b>%</b>     | <b>Persons</b> | <b>%</b>     | <b>Persons</b> | <b>%</b>     |
|---|----------------|--------------|----------------|--------------|----------------|--------------|
| Caucasian                               | 7,097          | 96.9         | 5,691          | 95.7         | 4,479          | 96.7         |
| Black                                   | 36             | 0.5          | 47             | 0.8          | 13             | 0.3          |
| Asian and<br>Pacific Islander           | 90             | 1.2          | 75             | 1.3          | 45             | 1.0          |
| American Indian,<br>Eskimo and Aleutian | 32             | 0.4          | 27             | 0.4          | 18             | 0.4          |
| Other                                   | 70             | 1.0          | 105            | 1.8          | 76             | 1.6          |
| <b>TOTAL</b>                            | <b>7,325</b>   | <b>100.0</b> | <b>5,945</b>   | <b>100.0</b> | <b>4,631</b>   | <b>100.0</b> |

**F. Income**

Laguna Beach is commonly considered to be a relatively affluent community. While this is not wholly untrue, Laguna Beach also has a sizeable proportion of lower income households. In fact, Laguna Beach has the most diverse income profile of any city in Orange County.

**Historical Trend.** As indicated in Table 2-16, all income levels in Laguna Beach increased by more than 100% between 1969 and 1979. Increases in mean income levels <sup>5</sup> (both household and family), however, were proportionately greater than the increases in median income levels.<sup>6</sup> This circumstance indicates that, between 1969 and 1979, the incomes of the City's more affluent households and families increased by greater proportions than did the incomes of the less affluent.

<sup>5</sup> Mean income is the same as average income.

<sup>6</sup> Median income represents the income level at which half of the households or families earn more and the other half earns less.



**TABLE 2-16**

**INCOME LEVEL INCREASES (1969 to 1979)**

|                         | <b>1969</b> | <b>1979</b> | <b>Increase</b> | <b>Percentage Increase</b> |
|-------------------------|-------------|-------------|-----------------|----------------------------|
| Median Household Income | \$ 7,827    | \$21,165    | \$13,338        | 170.4%                     |
| Mean Household Income   | 10,451      | 31,046      | 20,595          | 197.1                      |
| Median Family Income    | 12,208      | 30,325      | 18,117          | 148.4                      |
| Mean Family Income      | 14,769      | 41,562      | 26,793          | 181.4                      |
| Per Capita Income       | 5,345       | 14,922      | 9,577           | 179.2                      |

**County Comparison.** Income levels for Orange County also increased by more than 100% between 1969 and 1979; however, the increases for Laguna Beach were higher over this time period.

**Median and Average (Mean) Incomes.** Laguna Beach's median household income is slightly lower than Orange County's. The City's average household income, however, is considerably higher. The combination of the City's lower median income and higher average income indicates that the incomes of the more affluent half of the City's households are higher than they are for the County. Compared to other Orange County cities, there are seventeen cities with higher median household incomes, yet there are only six cities with higher average household incomes.

**TABLE 2 - 17**

**INCOME CHARACTERISTICS (1979)**

|                         | <b><u>Laguna Beach</u></b> | <b><u>Orange County</u></b> |
|-------------------------|----------------------------|-----------------------------|
| Median Household Income | \$21,165                   | \$22,802                    |
| Mean Household Income   | 31,046                     | 26,717                      |
| Median Family Income    | 30,325                     | 26,090                      |
| Mean Family Income      | 41,562                     | 29,906                      |
| Per Capita Income       | 14,922                     | 9,569                       |

**Per Capita Income.** Per capita income is the average income computed for every man, woman and child in the City. The per capita income for Laguna Beach (\$14,922) is 56% higher than the per capita income for the County (\$9,569). Laguna Beach has the second highest per capita income of all Orange County cities. This is likely due to a combination of higher average incomes and a lower number of children and dependents per household.

**Number of Households by Income Ranges.** The City's households are more evenly distributed throughout the various income ranges, including the low and high ranges. Compared to Orange County, Laguna Beach has a higher proportion of households in the \$0 to \$5,000 range, \$5,000 to \$10,000 range, and the \$10,000 to \$15,000 range. The City is also considerably higher within the \$50,000 and over income range.

Laguna Beach is one of only three cities in Orange County in which over 10% of the households earned less than \$5,000 in 1979 and it is one of only five cities in which over 15% of the households earned \$50,000 or more.

**TABLE 2-18**

**INCOME CLASSIFICATIONS FOR ORANGE COUNTY (1979)**

| <b>Classification</b> | <b>Percentage of<br/>County Median Income</b> | <b>Income Range<br/>In 1979</b> |
|-----------------------|---|---------------------------------|
| Very Low Income       | 0 - 50%                                       | \$ 0 - \$11,401                 |
| Low Income            | 50+ - 80%                                     | \$11,402 - \$18,242             |
| Moderate Income       | 80+ - 120%                                    | \$18,243 - \$27,362             |
| Upper Income          | Over 120%                                     | \$27,363 and over               |

The County income range in these categories is often used by cities to determine affordable housing needs. The most notable difference between the City and the County is a higher proportion of very low income households in Laguna Beach.

**TABLE 2-19**

**HOUSEHOLDS BY INCOME CLASSIFICATION (1979)**

| <b>Classification</b> | <b>LAGUNA BEACH</b>             |                   | <b>ORANGE COUNTY</b>            |                   |
|-----------------------|---------------------------------|-------------------|---------------------------------|-------------------|
|                       | <b>Number of<br/>Households</b> | <b>Percentage</b> | <b>Number of<br/>Households</b> | <b>Percentage</b> |
| Very Low Income       | 2,296                           | 26.8%             | 146,129                         | 21.3%             |
| Low Income            | 1,429                           | 16.7              | 118,879                         | 17.3              |
| Moderate Income       | 1,524                           | 7.8               | 156,914                         | 22.8              |
| Upper Income          | 3,306                           | 38.7              | 265,137                         | 38.6              |
| <b>TOTAL</b>          | <b>8,555</b>                    | <b>100.0%</b>     | <b>687,059</b>                  | <b>100.0%</b>     |

**Neighborhood Comparison.** Of the three City sub-areas, the Hillside sub-area has the highest income characteristics. The median household income for this area (\$29,740) exceeds the Citywide median (\$21,165)

by 40% By contrast, both the median and average household income levels for the two Coastal sub-areas fall below citywide levels. Approximately 70% of the households in both areas are in the low- and moderate-income range. A notable contrast between the two Coastal sub-areas is that average household and family income levels are substantially higher for the Coastal-North area than for the Coastal-South area. This means that the upper income households in the Coastal-North area have generally higher incomes.

In terms of individual neighborhood areas, the highest income characteristics are found in the Portafina/Alta Vista area (see map following page 5) and the North Laguna-Coastal and Hillside area, with average household income levels of \$59,170 and \$52,064, respectively. The lowest income characteristics are found in the Central Village area, in which the average household income was \$13,401. Also in this neighborhood, 93% of all households were in the low- and moderate-income range.

**TABLE 2-20**  
**INCOME CHARACTERISTICS BY**  
**CITY SUB-AREAS (1979)**

|                          | Hillside | Coastal-North | Coastal-South |
|--------------------------|----------|---------------|---------------|
| Median Household Income  | \$29,740 | \$18,100      | \$17,820      |
| Average Household Income | 39,589   | 28,165        | 24,657        |
| Median Family Income     | 34,700   | 29,830        | 23,820        |
| Average Family Income    | 45,586   | 44,586        | 32,875        |
| Per Capita Income        | 16,727   | 15,047        | 12,538        |

**TABLE 2-21**  
**HOUSEHOLDS BY INCOME CATEGORY**  
**CITY SUB-AREAS (1979)**

| Income Category | HILLSIDES            |               | COASTAL-NORTH        |               | COASTAL-SOUTH        |               |
|-----------------|----------------------|---------------|----------------------|---------------|----------------------|---------------|
|                 | Number of Households | %             | Number of Households | %             | Number of Households | %             |
| Very Low Income | 616                  | 19.9          | 785                  | 31.7          | 925                  | 30.6          |
| Low Income      | 314                  | 10.2          | 482                  | 19.5          | 647                  | 21.4          |
| Moderate Income | 515                  | 16.6          | 445                  | 18.0          | 566                  | 18.7          |
| Upper Income    | 1,650                | 53.3          | 762                  | 30.8          | 885                  | 29.3          |
| <b>TOTAL</b>    | <b>3,095</b>         | <b>100.0%</b> | <b>2,474</b>         | <b>100.0%</b> | <b>3,023</b>         | <b>100.0%</b> |

**Family Income.** Families are generally defined as households containing two or more related persons (including the head of



household). In most cases, families consist of a husband, wife, children and other relatives.

Family income is almost always higher than household income levels. The reasons for this may be that families have a higher proportion of multiple income earners and that financial demands impose higher income needs upon families. In Laguna Beach, family incomes are much higher than household incomes. Both the median and mean income levels are approximately \$10,000 higher for families than they are for households.

## B. HOUSING

### 1. HOUSING TYPES

As of January 1, 1989, there was a total of 13,171 housing units in Laguna Beach. Of the total units, approximately two-thirds were single-family units and one-third multiple-family units. There were 406 mobile home units in the City.

TABLE 2 - 22  
NUMBER OF HOUSING UNITS (1)

#### LAGUNA BEACH

| Year         | Single<br>Family | %    | 2-4<br>Units | %    | 5+<br>Units  | %    | Mobile<br>Homes | %   | Total         |
|--------------|------------------|------|--------------|------|--------------|------|-----------------|-----|---------------|
| 1950         | 2,869            | 69.2 | 996          | 24.0 | 277          | 6.7  | 3               | 0.1 | 4,144         |
| 1960         | 3,678            | 65.4 | 1,237        | 22.0 | 707          | 12.6 | --              | --  | 5,622         |
| 1970         | 4,906            | 64.3 | 1,479        | 19.4 | 1,240        | 16.3 | --              | --  | 7,625         |
| 1980         | 6,166            | 65.1 | 1,794        | 18.9 | 1,494        | 15.8 | 24              | 0.2 | 9,478         |
| 1984         | 6,261            | 65.2 | 1,799        | 18.8 | 1,516        | 15.8 | 21              | 0.2 | 9,597         |
| <b>1989*</b> | <b>8,389</b>     |      | <b>2,027</b> |      | <b>2,367</b> |      | <b>406</b>      |     | <b>13,171</b> |

#### ORANGE COUNTY

|      |         |      |        |      |         |      |        |     |         |
|------|---------|------|--------|------|---------|------|--------|-----|---------|
| 1984 | 475,238 | 62.5 | 76,806 | 10.1 | 180,475 | 23.8 | 25,578 | 3.6 | 760,097 |
|------|---------|------|--------|------|---------|------|--------|-----|---------|

**Historical Trend.** The mix of housing units in Laguna Beach has changed very little since 1950. In recent years, however, a shift has begun to occur toward more single-family housing. This is evidenced by the fact that single-family homes comprised over 80% of all the units added to the housing stock between 1980 and 1984.

(1) State of California, Department of Finance, Population Research Unit: Controlled Population and Housing Estimates.

\* This figure includes the annexed areas of Allview Terrace, Old Top of the World, Laguna Canyon and South Laguna.

The overall rate of housing growth in Laguna Beach has slowed significantly. From 1950 to 1970, the average annual housing growth rate was about 3.5%. Between 1970 and 1980, the growth rate declined to about 2.5%. Since 1980, the growth rate has fallen all the way to 0.3%.

**County Comparison.** Laguna Beach is similar to Orange County in that single-family homes comprise slightly less than two-thirds of its housing stock. Among multiple-family units, however, Laguna Beach has a higher percentage of two- to four-unit complexes and a lower percentage of larger complexes.

**Neighborhood Comparison.** Over 90% of the housing stock within the Hillside sub-area is comprised of single-family homes. (In addition, this sub-area contains almost one-half of all the single-family homes in the City.) The mix of housing types is more evenly divided in the Coastal sub-areas. The one notable exception is the Central Village area, where multiple-family units comprise more than 80% of the housing.

**TABLE 2-23**

**YEAR-ROUND HOUSING UNITS BY CITY SUB-AREAS (1980)**

| Housing Type  | Hillside | %    | Coastal-North | %    | Coastal-South | %    |
|---------------|----------|------|---------------|------|---------------|------|
| Single Family | 2,925    | 90.9 | 1,406         | 51.7 | 1,770         | 51.5 |
| 2 - 4 Units   | 225      | 7.0  | 603           | 22.1 | 947           | 27.5 |
| 5+ Units      | 45       | 1.4  | 712           | 26.2 | 721           | 21.0 |
| Mobile Homes  | 24       | 0.7  | ---           | ---- | ---           | ---- |

**2. TENURE**

Of the 8,555 occupied housing units in Laguna Beach in 1980, 53% were owner-occupied and 47% were renter-occupied. The rental units were comprised of 58% multiple-family and 42% single-family units.

**Historical Trend.** The difference between the number of owner-occupied and renter-occupied housing units in Laguna Beach has remained consistently low over time. Since 1950, though, owner-occupied units have continued to outnumber rental units.



**TABLE 2-24****HOUSING TENURE HISTORICAL TREND****LAGUNA BEACH**

| <b>Year</b> | <b>Occupied<br/>Year-Round<br/>Housing Units</b> | <b>Owner-<br/>Occupied<br/>Units</b> | <b>%</b> | <b>Renter-<br/>Occupied<br/>Units</b> | <b>%</b> |
|-------------|--|--------------------------------------|----------|---------------------------------------|----------|
| 1940        | 1,765  | 811                                  | 45.9     | 954                                   | 54.1     |
| 1950        | 2,989  | 1,622                                | 54.3     | 1,367                                 | 45.7     |
| 1960        | 4,424  | 2,388                                | 54.0     | 2,036                                 | 46.0     |
| 1970        | 6,607  | 3,413                                | 51.7     | 3,194                                 | 48.3     |
| 1980        | 8,555  | 4,534                                | 53.0     | 4,021                                 | 47.0     |

**ORANGE COUNTY**

|      |         |         |      |         |      |
|------|---------|---------|------|---------|------|
| 1980 | 686,267 | 415,098 | 60.5 | 271,169 | 39.5 |
|------|---------|---------|------|---------|------|

**County Comparison.** Laguna Beach and Orange County both have more owner- than renter-occupied housing however, the proportion of owner-occupied housing in the County (60.5%) is considerably higher than that of the City (53%). Conversely, the City has proportionately more rental housing.

**Neighborhood Comparison.** Although there is little difference in the number of owner- and renter-occupied housing units citywide, this is not the case within different parts of the City. In the Hillside sub-area, owner-occupied units predominate by a margin of three to one. Conversely, rental units comprise a majority of the housing within the Coastal sub-areas by a three to two margin. The trend within the coastal areas, however, is not uniform. In the North Laguna Coastal and Hillside area, over 80% of the housing is owner-occupied. By contrast, the Central Village area has over 80% rental housing.

**TABLE 2-25****HOUSING TENURE BY CITY SUB-AREAS (1980)**

| <b>Housing Tenure</b> | <b>Hillsides</b> | <b>%</b> | <b>Coastal-<br/>North</b> | <b>%</b> | <b>Coastal-<br/>South</b> | <b>%</b> |
|-----------------------|------------------|----------|---------------------------|----------|---------------------------|----------|
| Owner-Occupied Units  | 2,313            | 75.8     | 980                       | 39.9     | 1,241                     | 40.7     |
| Renter-Occupied Units | 737              | 24.2     | 1,478                     | 60.1     | 1,806                     | 59.3     |
| Total Occupied Units  | 3,050            | 100.0    | 2,458                     | 100.0    | 3,047                     | 100.0    |

### 3. AGE

In 1980, the median age of Laguna Beach's housing stock was 26.5 years. Nearly one-quarter of the City's present housing was built prior to 1940 and well over half (62%) was built before 1960. The City's stock of rental housing is considerably older than its owner-occupied housing.

TABLE 2-26  
AGE OF HOUSING UNITS (1980)

| Period Built       | Year-Round<br>Housing<br>Units | %            | Owner-<br>Occupied<br>Housing Units | %            | Renter-<br>Occupied<br>Housing Units | %            |
|--------------------|--------------------------------|--------------|-------------------------------------|--------------|--------------------------------------|--------------|
| Before 1940        | 2,192                          | 23.4         | 940                                 | 20.8         | 1,114                                | 27.7         |
| 1940 - 1949        | 1,799                          | 19.2         | 672                                 | 14.8         | 957                                  | 23.8         |
| 1950 - 1959        | 1,843                          | 19.6         | 667                                 | 14.7         | 946                                  | 23.5         |
| 1960 - 1969        | 2,163                          | 23.1         | 1,320                               | 29.1         | 713                                  | 17.7         |
| 1970-April 1980    | 1,381                          | 14.7         | 935                                 | 20.6         | 291                                  | 7.3          |
| <b>TOTAL</b>       | <b>9,378</b>                   | <b>100.0</b> | <b>4,534</b>                        | <b>100.0</b> | <b>4,021</b>                         | <b>100.0</b> |
| Median Age (years) | 26.5                           |              | 20.4                                |              | 30.9                                 |              |

**Historical Trend.** The age of the City's overall housing stock increased from 19.5 years in 1970 to 26.5 years in 1980. Also, between 1970 and 1980, the median age of owner-occupied housing rose by five years and the median age of rental housing increased by 7.6 years.

**County Comparison.** Not only is Laguna Beach one of the older communities in Orange County, it was largely uninvolved in the County's building boom of the last several decades. Consequently, Laguna Beach's housing as a whole is considerably older than the County's. The 1980 median age of the City's housing, 26.5 years, is nearly double the County median housing age of 13.5 years. Also, the proportion of the City's housing built before 1950 (42.6%) is over five times greater than the proportion of the County's housing built during the same period (7.6%).

**Neighborhood Comparison.** Overall, housing within the Coastal sub-areas is much older than in the Hillside areas. The 1980 median age of the Coastal housing is 31.4 years. This is over twice the median age figure of 16.5 years for the Hillside areas. Other statistics also point out the substantial difference between these areas. Over half the Coastal housing was built before 1940 and three-quarters of it was built by 1950. By contrast, less than one-quarter of the Hillside housing was built before 1940 and slightly over one-third was built before 1950.

In terms of individual neighborhood areas, the southern area of Laguna Beach has the oldest housing with a median age in 1980 of 38.8 years and with almost three-quarters of the housing built before 1950. The newest housing is found in Arch Beach Heights. The median age of its housing in 1980 was only 8.8 years.

**TABLE 2-27**

**AGE OF YEAR-ROUND HOUSING UNITS BY CITY SUB-AREAS (1980)**

| <u>Period Built</u> | <u>Hillside</u> s | <u>%</u>     | <u>Coastal-North</u> | <u>%</u>     | <u>Coastal-South</u> | <u>%</u>     |
|---------------------|-------------------|--------------|----------------------|--------------|----------------------|--------------|
| Before 1940         | 281               | 8.7          | 580                  | 25.0         | 1,231                | 27.7         |
| 1940- 1949          | 480               | 14.9         | 494                  | 18.2         | 825                  | 23.8         |
| 1950- 1959          | 412               | 12.8         | 714                  | 26.2         | 717                  | 20.9         |
| 1960- 1969          | 1,152             | 35.8         | 609                  | 22.4         | 402                  | 11.7         |
| 1970-April 1980     | 894               | 27.8         | 224                  | 8.2          | 263                  | 7.6          |
| <b>TOTAL</b>        | <b>3,219</b>      | <b>100.0</b> | <b>2,721</b>         | <b>100.0</b> | <b>3,438</b>         | <b>100.0</b> |
| MEDIAN AGE (YEARS)  | 16.5              |              | 27.6                 |              | 34.3                 |              |

#### **4. VACANCY**

The vacancy rate is an important statistic since it gives an indication of how much housing is available for occupancy within a community. Vacancy rates can also be reflective of the local balance between housing supply and demand. This, in turn, can affect the cost of housing.

Vacant housing units are classified according to several different categories. The most important categories are "Vacant for Sale" and "Vacant for Rent." These categories represent units that are on the market and available for occupancy. The remaining categories are "Held for Occasional Use"<sup>8</sup>, "Vacant Seasonal"<sup>9</sup> and "Other"<sup>10</sup>.

In 1980, there were 344 vacant housing units in Laguna Beach for sale or rent, representing a vacancy rate of 3.6%. The total for all types of vacant housing units was 923, representing an overall vacancy rate of 9.7%.

**Historical Trend.** Laguna Beach has experienced a substantial downward trend in its housing vacancy rates over past decades. The 1980 rate of units for sale or rent represents a drop of more than 50% from the 1960 rate and a decline of over 75% since 1940. The overall vacancy rate has decreased by almost the same proportions.



**TABLE 2-28**

**VACANT HOUSING UNITS**

| <b>Year</b> | <b>Total<br/>Units</b> | <b>Vacant Units for<br/>Sale or Rent</b> | <b>%</b> | <b>Total<br/>Vacant Units</b> | <b>%</b> |
|-------------|------------------------|--|----------|-------------------------------|----------|
| 1940        | 2,717                  | 454                                      | 16.7     | 962                           | 35.0     |
| 1950        | 4,144                  | 242                                      | 5.8      | 750                           | 18.1     |
| 1960        | 5,622                  | 463                                      | 8.2      | 1,198                         | 21.3     |
| 1970        | 7,628                  | 343                                      | 4.5      | 1,031                         | 13.5     |
| 1980        | 9,478                  | 344                                      | 3.6      | 923                           | 9.7      |

**County Comparison.** In terms of units for sale or rent, the vacancy rate for Laguna Beach (3.6%) is only slightly higher than the vacancy rate for Orange County (3.2%). With respect to all types of vacant units, however, the City's vacancy rate is almost double the County rate (9.7% to 4.9%). This difference may be attributable to Laguna Beach's popularity as a coastal resort and the fact that there is a comparatively large number of units held as vacation or part-time homes (322) that are technically classified as vacant. The concentration of vacation and part-time homes in Laguna Beach is made more evident by the fact that the City contains only a little over 1% of the County's total housing, yet almost 7% of all the County's units are held for seasonal or occasional use. Of the County's 26 cities, only Newport Beach and San Clemente have higher proportions of these types of units.

**Neighborhood Comparison.** The Coastal sub-areas exhibit overall vacancy rates that are generally higher than the Hillside areas with an 11.4% vacancy rate for the Coastal sub-areas and a 6.5% vacancy rate for the Hillside sub-area. This is primarily due to the high popularity of the coastal areas for vacation and part-time homes (87% of these units are located within the Coastal sub-areas).

In terms of individual neighborhood areas, the South Laguna-Coastline area has the highest vacancy rate. The Temple Hills/Top of the World area has the lowest.

- <sup>8</sup> Units held for weekend or other occasional use throughout the year.  
<sup>9</sup> Used only during certain seasons of the year.  
<sup>10</sup> This category includes all vacant year-round units which do not fall into any other classification, including units rented or sold awaiting occupancy and units held for occupancy by a housekeeper or caretaker.



## 5. HOUSING VALUES

In 1980, the average value for detached single-family, owner-occupied housing units **11** in Laguna Beach was more than \$200,000.<sup>12</sup> Out of a total of 3,684 units in this specified category, 1,882 (51.1%) were valued at \$200,000 or more.

**TABLE 2-29**  
**HOUSING VALUES (1980)**

| Value                 | Specified Owner-Occupied Housing Units | %            |
|-----------------------|--|--------------|
| Less than \$50,000    | 44                                     | 1.2          |
| \$50,000 - \$99,999   | 224                                    | 6.1          |
| \$100,000 - \$149,999 | 656                                    | 17.8         |
| \$150,000 - \$199,999 | 878                                    | 23.8         |
| \$200,000 or more     | 1,882                                  | 51.1         |
| <b>TOTAL</b>          | <b>3,684</b>                           | <b>100.0</b> |

**Historical Trend.** As one would expect, the value of housing units in Laguna Beach has progressively risen over time. The most dramatic increase occurred between 1970 and 1980 when the median value of housing in Laguna Beach rose by more than 400%.

**TABLE 2-30**  
**MEDIAN HOUSING VALUES (1979)**

| <u>Year</u> | <u>Laguna Beach</u> | <u>Percent Increase</u> | <u>Orange County</u> | <u>Percent Increase</u> |
|-------------|---------------------|-------------------------|----------------------|-------------------------|
| 1950        | \$ 14,284           |                         | \$ 8,480             |                         |
| 1960        | 32,700              | 51.9                    | 15,900               | 87.5                    |
| 1970        | 38,600              | 77.9                    | 27,200               | 71.1                    |
| 1980        | 200,000 +           | 418.1                   | 108,100              | 297.4                   |

<sup>11</sup> All references to housing units within this section will pertain to this type of unit.

<sup>12</sup> The highest category for housing values used in the 1980 Census was "\$200,000 or more." Median values, therefore, could not be calculated for above \$200,000.

**County Comparison.** Median housing values have remained consistently higher for Laguna Beach than for Orange County as a whole. The difference between the City and the County, however, increased significantly between 1970 and 1980, when the City median rose by \$161,400 while the County level rose by \$80,900.

In terms of the percentage of homes within different price ranges, the following table indicates that the City has a considerably larger proportion of housing in the higher price ranges and a smaller proportion of housing in the lower price ranges.

| <u>Median Housing Value</u> | <u>Laguna Beach</u> | <u>Orange County</u> |
|-----------------------------|---------------------|----------------------|
| Less than \$100,000         | 7.3%                | 44.3%                |
| \$100,000 to \$199,999      | 41.6%               | 46.4%                |
| \$200,000 or more           | 51.1%               | 9.3%                 |

**Neighborhood Comparison.** There are no distinct trends or patterns in median housing values within different parts of the City. One probable reason for this is that most of Laguna Beach's neighborhoods contain a relatively diverse stock of individually built homes that vary in size, style and age. When the City is divided into Hillside and Coastal sub-areas, there is virtually no difference in the median housing values.

For individual neighborhoods, the highest housing values are found in the North Laguna-Hillside and Coastal area and the Alta Vista/Portafina area where over 80% of the housing is valued at \$200,000 or more. The Central Village area has the lowest median housing value at \$140,000.

Arch Beach Heights shows a unique trend in that almost three-quarters of its housing is valued within the \$100,000 to \$200,000 range. This is likely due to the neighborhood's small building sites that do not allow for the construction of larger, more expensive homes.

**TABLE 2-31**

**HOUSING VALUES BY CITY SUB-AREAS (1980)**

| <b>Value</b>          | <b>Hillsides</b> | <b>%</b> | <b>Coastal-North</b> | <b>%</b> | <b>Coastal-South</b> | <b>%</b> |
|-----------------------|------------------|----------|----------------------|----------|----------------------|----------|
| Less than \$50,000    | 18               | 0.9      | 12                   | 1.7      | 14                   | 1.5      |
| \$50,000 - \$99,999   | 89               | 4.3      | 52                   | 7.5      | 83                   | 9.1      |
| \$100,000 - \$149,999 | 384              | 18.5     | 86                   | 12.3     | 186                  | 20.3     |
| \$150,000 - \$199,999 | 539              | 26.0     | 105                  | 15.1     | 234                  | 25.6     |
| \$200,000 or more     | 1,042            | 50.3     | 442                  | 63.4     | 38                   | 43.5     |



### SECTION III: HOUSING NEEDS





### SECTION III - HOUSING NEEDS

This section examines several types of housing needs and the extent to which they occur in Laguna Beach. Housing needs are divided into two categories: those that presently exist, and those that are projected to occur in the future. Among the existing needs to be examined are:

1. **Affordability:** How the cost of housing in Laguna Beach compares to the ability of the City's households to pay.
2. **Special Households:** The housing needs of households that warrant special consideration, including the elderly, the handicapped, large families, families with a female head of household, and families and persons in need of emergency shelter.
3. **Habitability:** The number of units in the City's housing stock that need to be rehabilitated or replaced.
4. **Overcrowding:** The number of housing units that are inhabited by more persons than they can reasonably accommodate.

#### 1. AFFORDABILITY

##### A. Cost of Rental Housing

By Orange County standards, overall rent levels in Laguna Beach are higher than average, but they are not among the very highest in the County. As indicated in Table 3-1, the median rent level for Laguna Beach is higher than it is for Orange County as a whole by about 7%. There are, however, eight other cities in Orange County that possess higher median rent levels, ranging up to a high of over \$500.

It should be noted that these figures were determined to be extremely outdated at the time of the 1990 Housing Element amendment and are expected to be updated when additional data is available.

TABLE 3-1

#### COMPARATIVE RENT LEVELS FOR LAGUNA BEACH (1979)

|  | <u>Laguna Beach</u> | <u>Orange County</u> |
|--|---------------------|----------------------|
| Median Gross Rent                      | \$382               | \$358                |
| Mean Gross Rent                        | 398                 | 373                  |
| Median Gross Rent,<br>One-Family House | 446                 | 460                  |

**Distribution of Units by Cost Categories.** Table 3-2 lists the total number of rental units within various cost ranges. Laguna Beach's cost distribution pattern is distinctive in that there are higher than average proportions of both lower-priced and higher-priced units (see

Figure 3-1 on page 29). Table 3-3 shows that this pattern holds when Laguna Beach is compared to other cities.

There are several probable causes for this diversity in rental costs. The higher number of lower-priced units is likely attributable to the large numbers of relatively old and/or small dwelling units in the City. Conversely, the number of higher-priced rental units can be linked to the City's coastal location in general and the many housing units that possess scenic views. In addition, over 40% of the City's rental units are single-family homes. These units typically command considerably higher rents than do apartment units.

**TABLE 3-2**  
**GROSS RENT (1)**  
**RENTAL HOUSING UNITS (1980)**

| Rent Range      | Renter-Occupied Housing<br>Units (2) | Percent      |
|-----------------|--------------------------------------|--------------|
| No cash rent    | 119                                  | 3.0          |
| Less than \$100 | 23                                   | 0.6          |
| \$100 - \$149   | 71                                   | 1.8          |
| \$150 - \$199   | 156                                  | 3.9          |
| \$200 - \$249   | 391                                  | 9.8          |
| \$250 - \$299   | 433                                  | 10.9         |
| \$300 - \$349   | 491                                  | 12.4         |
| \$350 - \$399   | 569                                  | 14.3         |
| \$400 - \$499   | 708                                  | 17.8         |
| \$500 or more   | 1,013                                | 25.5         |
| <b>TOTAL</b>    | <b>3,974</b>                         | <b>100.0</b> |

(1) Contract rent plus the estimated average monthly cost of utilities (electricity, gas and water).

(2) Renter-occupied housing units except one-family houses on 10 or more acres.

TABLE 3-3

**LAGUNA BEACH'S RANK AMONG  
ORANGE COUNTY CITIES  
FOR VARIOUS RENTAL HOUSING STATISTICS (1980)**

| <b>Category</b>  | <b>Rank (Among 26 Cities)</b> |
|--|-------------------------------|
| Proportion of Units Renting<br>for Less Than \$200 (Contract Rent)   | 7th                           |
| Proportion of Units Renting<br>for \$200 to \$499 (Contract Rent)    | 23rd                          |
| Proportion of Units Renting<br>for \$500 or More (Contract Rent)     | 5th                           |
| Median Gross Rent Level<br>(All Rental Units)                        | 9th                           |
| Median Gross Rent Level<br>(One-Family Houses)                       | 16th                          |
| Proportion of Rental Housing Stock<br>Comprised of One-Family Houses | 4th                           |

**Rent Levels for Single-Family Houses.** The median rent level for a single-family house in Laguna Beach (\$446) is slightly lower than the level for Orange County (\$460). These relatively low rent levels may be partially due to the comparatively older ages and smaller sizes of many of the City's houses, particularly in the coastal areas.

**Rent Levels by Neighborhood Areas.** As indicated by Table 3-4, the median rent level for the Hillside areas is 17-18% higher than the level for either of the Coastal sub-areas. The most likely reason for the higher rents in the Hillside areas is that newer single-family houses comprise three-quarters of the rental housing in the Hillside areas. Three of the five Hillside neighborhood areas had median levels in excess of \$500. The lowest median rent level for a single neighborhood was \$319 in the Central Village area.

TABLE 3-4

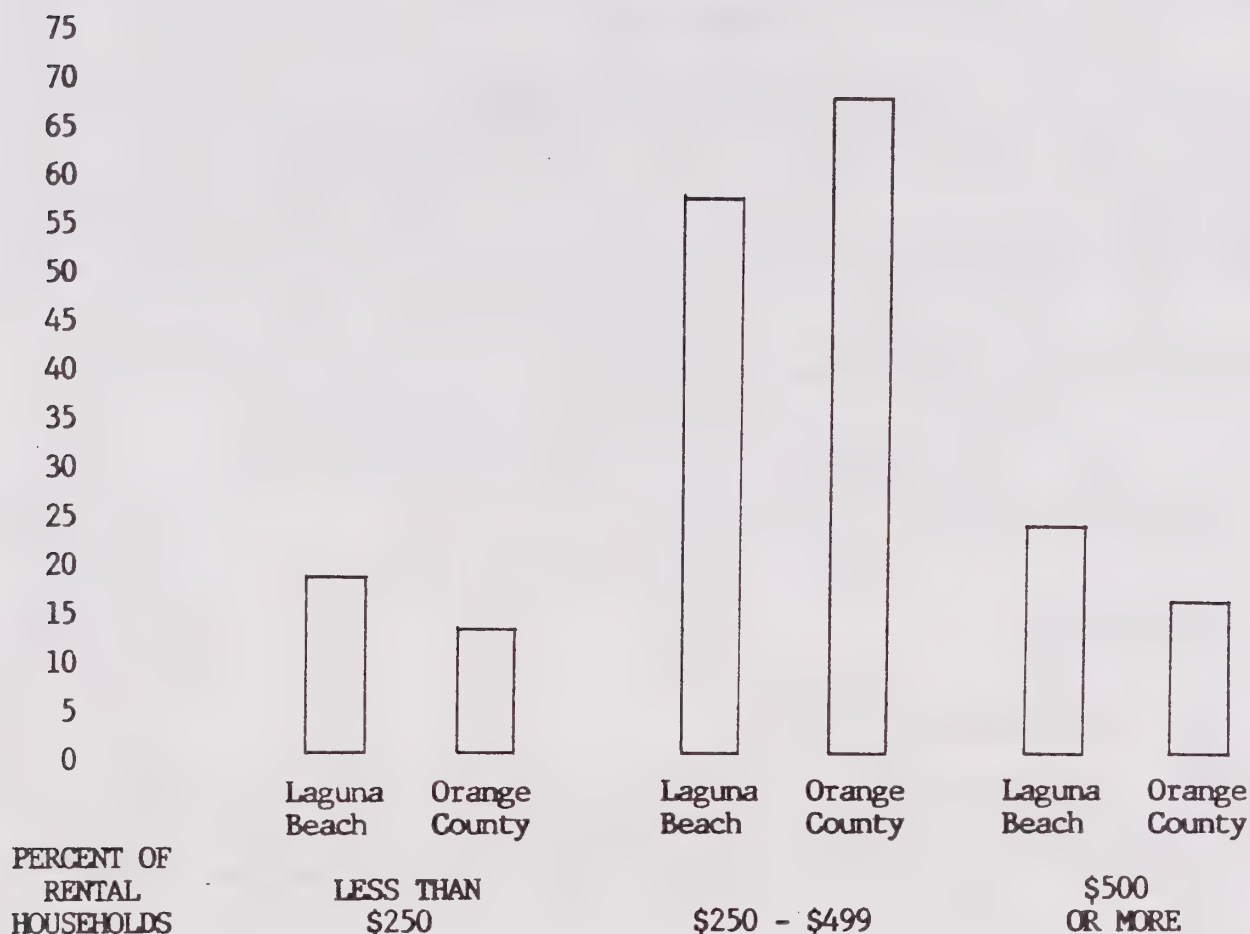
**MEDIAN RENT LEVELS  
BY NEIGHBORHOOD SUB-AREAS FOR LAGUNA BEACH (1980)**

| <u>Sub-Area</u> | <u>Median Gross Rent</u> |
|-----------------|--------------------------|
| Hillsides       | \$442                    |
| Coastal-North   | 378                      |
| Coastal-South   | 373                      |



**FIGURE 3-1**

**RENTAL UNITS BY COST RANGE**



**B. Cost of Ownership**

The average cost of buying a home in Laguna Beach is very high. In 1979, the median monthly cost for a mortgaged housing unit in Laguna Beach was \$683. This is 35% higher than the median cost for Orange County of \$497. In addition, Laguna Beach was one of only five cities in Orange County in which the median cost level was higher than \$600.

**Distribution of Housing Units by Cost Ranges.** Table 3-5 indicates the number of mortgaged housing units in various monthly cost ranges. The distribution pattern of these units is characterized by a very large proportion of units in the higher cost ranges and a relatively small proportion of units in the lower cost ranges. There are more than three times as many units within the most expensive range (\$750+ per month) than in any other single cost range. Comparisons show that Laguna Beach has one of the largest concentrations of higher cost owner-occupied units in Orange County.

**TABLE 3-5**

**MONTHLY HOMEOWNERSHIP COSTS (3)  
OWNER-OCCUPIED HOUSING UNITS WITH A MORTGAGE (1980)**

| <b><u>Cost Range</u></b> | <b><u>Mortgaged Owner-Occupied<br/>Housing Units (4)</u></b> | <b><u>Percent</u></b> |
|--------------------------|--|-----------------------|
| Less than \$200          | 32   | 1.1                   |
| \$200 - \$299            | 288  | .1                    |
| \$300 - \$399            | 390  | 13.6                  |
| \$400 - \$499            | 291  | 10.2                  |
| \$500 - \$599            | 231  | 8.1                   |
| \$600 - \$749            | 353  | 12.4                  |
| \$750 or more            | 1,271  | 44.5                  |
| <b>TOTAL</b>             | <b>2,856</b>   | <b>100.0</b>          |

**Relationship of Time Purchased to Homeownership Costs.** Housing costs have risen rapidly in the recent past. Table 3-6 illustrates that homeowners who bought their homes since 1975, on the average, pay more than twice as much in housing costs as homeowners who bought before 1975. The table also indicates that homeownership costs in Laguna Beach have risen at a faster rate than they have throughout all of Orange County. Assuming that construction and financing costs are reasonably similar throughout the County, these facts seem to indicate that real estate appreciated at a higher rate in Laguna Beach than in Orange County during the late 1970's.

(3) Sum of payments for mortgages or similar debts on the property; real estate taxes; fire and hazard insurance; utilities and fuels.

(4) Does not include condominium units, mobile homes or units with commercial or medical uses on the property.

**TABLE 3-6**

**MEAN MONTHLY HOMEOWNERSHIP COSTS  
BY MOVE-IN DATE (with Mortgage) (1980)**

| Period Moved-In        | Monthly Costs<br>Laguna Beach | Monthly Costs<br>Orange County |
|------------------------|-------------------------------|--------------------------------|
| 1975 - April 1980      | \$1,165                       | \$768                          |
| 1970 - 1974            | 605                           | 474                            |
| 1960 - 1969            | 482                           | 361                            |
| 1959 or Before         | 606                           | 274                            |
| All Years Before 1975* | 553                           | 396                            |
| All Years*             | 805                           | 575                            |

\* Calculated estimate

**Homeownership Costs by Neighborhood Areas.** As might be expected, the highest median homeownership costs are found in the Hillside sub-area (\$703 per month). In a somewhat unusual trend, however, the Coastal-North sub-area is about \$100 per month less than both the Coastal-South and Citywide medians. What makes this situation particularly unusual is that the Coastal-North sub-area has the highest median value for homes in the City, with 63% of them valued at \$200,000 or more.

The reason for this may be the previously discussed effect of the time purchased on the cost of a home. Owner-occupied houses in the Coastal-North sub-area have, on the average, been lived in longer than houses in other parts of the City.

**TABLE 3-7**

**MEAN MONTHLY HOMEOWNERSHIP COSTS (1980)**

| <u>Location</u> | <u>Median Home Ownership Costs</u> |
|-----------------|------------------------------------|
| Hillsides       | \$703                              |
| Coastal-North   | 588                                |
| Coastal-South   | 681                                |
| Laguna Beach    | 683                                |

There is also a definite correlation between date of move-in and homeownership costs for individual neighborhood areas. There are four neighborhood areas in the City (out of a total of twelve) in which

over half of the homeowners purchased their homes after 1975. In terms of median homeownership costs, these four neighborhoods rank first, second, third, and fifth.

The highest home ownership costs for an individual neighborhood area were found in Portafina/Alta Vista/Diamond Crestview, in which 74% of the home owners paid \$750 or more per month. The lowest median costs of \$455 per month were found in the North Laguna area (south of Boat Canyon). This was also the only neighborhood in which half of the home owners had moved in before 1970 .

**Cost of Non-Mortgaged Housing.** In 1980, 22% of specified owner-occupied housing units did not have a mortgage. For the owners of these units, housing costs are relatively low, \$137 a month median value.

Although this seems relatively inexpensive, the median cost for Laguna Beach is 33% higher than that for Orange County. Among other cities, only Irvine and Newport Beach have higher costs for non-mortgaged units. Laguna Beach's higher costs in this area are most likely attributable to higher property taxes in the City, resulting from higher property valuations.

**Comparison of Rental Costs to Homeownership Costs.** On the average, buying a housing unit is considerably more expensive than renting one. The difference between owner and renter housing costs in Laguna Beach, however, is larger than average. The median costs for renter- and owner-occupied housing in Laguna Beach are \$683 and \$382 per month, respectively (a 79% difference). In contrast, owner-occupied housing in Orange County was only 39% more expensive than rental housing.

The difference between renter and owner housing cost is greater in Laguna Beach than in any other city in Orange County by a considerable margin. The second largest difference is 61% for Newport Beach.

### **C. Affordability Needs**

The need to provide housing that is affordable to the City's households is one of the most critical of all housing issues. Without a sufficient amount of affordable housing within a community, some households are forced to either (1) pay more than they can reasonably afford (overpay) for housing; (2) accept inadequate accommodations; or (3) relocate outside of the community. In order to assess the need for more affordable housing in Laguna Beach, this section examines the number of households in the City that overpay for housing and how the cost of housing in Laguna Beach compares to the overall ability of the City's households to pay for it.

**Overpayment.** According to the current definition by federal and state housing agencies, a household is considered to be overpaying for housing if its housing costs exceed 30% of its gross monthly income. In its 1988 Regional Housing Needs Assessment, the Southern California Association of Governments calculated that 886 lower-income households



overpay for housing and 1,333 very low-income households overpay for housing.

**TABLE 3-8**

**TOTAL HOUSEHOLDS  
PAYING OVER 30% OF INCOME FOR HOUSING  
1988**

|                 | Owners     | Renters      | Total        |
|-----------------|------------|--------------|--------------|
| Very Low Income | 217        | 1,116        | 1,333        |
| Low Income      | 151        | 735          | 886          |
| <b>Total</b>    | <b>368</b> | <b>1,851</b> | <b>2,219</b> |

**Cost of Housing Compared to Ability to Pay.** Although overpayment for housing is an important statistic, the actual shortage of affordably priced housing in the City is not as high as the number of overpaying households. Some households that are overpaying for housing may be doing so by choice because they desire accommodations that are not available at an affordable cost. Some households are highly attracted to Laguna Beach as a place to live and are willing to pay higher housing costs in order to do so. Other households may have to overpay because too many affordably priced units have been absorbed by households that could afford more expensive accommodations.

This section examines the number of renter- and owner-occupied households in various income ranges in comparison to the number of housing units that are affordable within each income range. The purpose of this is to estimate the minimum number of housing units that are needed in various cost ranges in order to bring the cost of housing in Laguna Beach in line with the ability of the City's households to pay for housing.

The following tables indicate that there are deficiencies of 696 rental units and 294 owner-occupied units affordable to households in the under \$10,000 (or very low) income range. Consequently, there is a minimum need for 990 very low-income housing units in order to provide housing that matches the ability of the City's households to pay for housing.

TABLE 3-11

**COST OF RENTAL HOUSING COMPARED TO  
AFFORDABILITY NEEDS OF RENTER HOUSEHOLDS (1980)**

| <b>Income<br/>Range</b> | <b>Number of<br/>Households In<br/>Income Range<sup>(5)</sup></b> | <b>Range of<br/>Monthly<br/>Affordable<br/>Housing</b> | <b>Number of<br/>Housing Units<br/>In Cost Range<sup>(6)</sup></b> | <b>Number of<br/>Additional<br/>Units Needed<br/>In Cost Range</b> |
|-------------------------|---|--|--|--|
| Less than \$5,000       | 579   | Less than \$125  | 58   | 521  |
| \$5,000 - \$9,999       | 758   | \$125 - 249  | 83   | 175  |
| \$10,000 - 14,999       | 712   | \$250 - 374  | 1,209  | --   |
| \$15,000 - 19,999       | 542   | \$375 - 499  | 992  | --   |
| \$20,000 - 24,999       | 456   | \$500 - 624  | 418  | --   |
| \$25,000 - 29,999       | 247   | \$625 - 749  | 265  | --   |
| \$30,000 or more        | 608   | \$750 or more  | 376  | --   |
| <b>TOTAL</b>            | <b>3,902</b>  |  | <b>3,902</b>   | <b>696</b>   |

<sup>5</sup> Excludes households that pay no rent and housing units for which no rent is paid.

<sup>6</sup> Ibid.

TABLE 3-12

**COST OF OWNER-OCCUPIED HOUSING COMPARED TO  
AFFORDABILITY NEEDS OF OWNER-OCCUPIED HOUSEHOLDS (1980)**

| Income Range      | Number of<br>Households<br>In Income<br>Range <sup>(7)</sup> | Range of<br>Monthly<br>Affordable<br>Housing Costs | Number of<br>Housing<br>Units In<br>Cost Range <sup>(8)</sup> | Number of<br>Additional<br>Units Needed In<br>Cost Range |
|-------------------|--|--|---|--|
| Less than \$5,000 | 213  | Less than \$125                                    | 4   | 209  |
| \$5,000 - 9,999   | 257  | \$125 - 249  | 172   | 85   |
| \$10,000 - 14,999 | 304  | \$250 - 374  | 588   | --   |
| \$15,000 - 19,999 | 310  | \$375 - 499  | 474   | --   |
| \$20,000 - 24,999 | 320  | \$500 - 624  | 359   | --   |
| \$25,000 -29,999  | 308  | \$625 - 749  | 364   | --   |
| \$30,000 or more  | 1,822  | \$750 or more                                      | 1,573   | --   |
| <b>TOTAL</b>      | <b>3,534</b>   |  | <b>3,534</b>  | <b>294</b>   |

**2. NEEDS OF SPECIAL HOUSEHOLDS**

Certain types of households have unique housing needs that warrant special consideration. As identified in State housing element law, these households include large families, farmworkers, elderly and handicapped households, families with female head of households, families and persons in need of emergency shelter and persons with Acquired Immune Deficiency Syndrome. The following is an assessment of the level of need for these types of households in Laguna Beach.

**Large Families.** There were 375 large family households within Laguna Beach (households with five or more persons) in 1980. This represented 4.4% of the total households in the City. Compared with other cities in the County, Laguna Beach has the second lowest percentage of large family households. Although 1990 Census information is unavailable to verify the number of large families living in Laguna Beach in 1990, projections indicate that the number has increased to 528.

Large family households typically need larger homes with extra rooms in order to avoid overcrowding. In Laguna Beach, this does not present a significant problem since 51% of housing units in the City have five or more rooms.

<sup>(7)</sup> Excludes households with no mortgage payment and housing units that are not mortgaged.

<sup>(8)</sup> Ibid.

**Elderly.** As of 1980, there were 2,879 persons age 62 and over and 1,990 households headed by persons age 62 and over (elderly households). This represented 16.1% of the City's population and 23.3% of its households. Although 1990 Census information is unavailable to verify the number of elderly persons living in Laguna Beach in 1990, projections indicate that this number has increased to 3,864.

Income levels for elderly households in Laguna Beach are substantially lower than they are for the City as a whole. The 1979 median income for the City's elderly households was \$15,467. This compared to the overall median household income of \$21,165. Presented below is the distribution of elderly households by income category. Of particular note is the considerably larger proportion of very low income households in comparison to the overall City.

**TABLE 3-13**

**ELDERLY HOUSEHOLDS BY INCOME CATEGORY (1979)**

| <u>Income Category</u> | <u>Elderly Households</u> | <u>Percentage</u> | <u>Citywide Percentage</u> |
|------------------------|---------------------------|-------------------|----------------------------|
| Very Low               | 747                       | 37.5              | 26.8                       |
| Low                    | 377                       | 19.0              | 16.7                       |
| Moderate               | 351                       | 17.6              | 17.8                       |
| Upper                  | 515                       | 25.9              | 38.7                       |
| <b>TOTAL</b>           | <b>1,990</b>              | <b>100.0</b>      | <b>100.0</b>               |

Based on the proportions of overpaying households for the City, it is estimated that there are 833 low- and moderate-income elderly households that are overpaying for housing. This represents nearly 10% of all the households in Laguna Beach.

The City adopted a second unit or "granny unit" ordinance in 1989 in order to allow for the new construction of such units in areas typically zoned for single family dwellings/one unit per lot. This was intended to result in an increase in the number of affordable housing opportunities for senior citizens. As such the city provides zoning code relief (such as parking reductions) when a second unit is proposed for a senior occupant. It should be noted that the ordinance does not restrict the occupancy of second units to senior citizens but encourages it through zoning incentives.

In addition to the adoption of the second unit ordinance, the City has been instrumental in the development of several senior citizen housing projects for very low, low and moderate income seniors. The following is a list of the projects and the number of units constructed between 1984 and 1989.



**SENIOR HOUSING PROJECTS**  
**1984-1989**

| <u>Project</u>  | <u>No. Units</u> |
|---|------------------|
| Vista Aliso Senior Housing Project<br>(Very low and low income apts.) | 71               |
| Mermaid Terrace<br>(Moderate-income condominiums)                     | 26               |
| Broadway Plaza<br>(Very-low income apts.)                             | <u>15</u>        |
| <b>TOTAL</b>  | <b>112</b>       |

In all projects, the City has provided either zoning relief, financial assistance or monetary grants to the developers of the projects.

It should be noted that the 71-unit Vista Aliso project was built and funded with the condition that the units would remain available for very-low and low-income households until the year 2009. The City intends to closely monitor compliance with this condition and explore opportunities that would ensure the continued availability of these units for very-low and low-income households.

**Handicapped.** According to the 1980 Census, there were 589 persons in Laguna Beach classified as having a work disability. This represented 4.6% of the noninstitutionalized persons between the ages of 16 and 64 years of age. A total of 353 persons were classified as having a public transportation disability (a health condition which prevents a person from using buses or other forms of public transportation). It has been estimated (assuming a percentage of 4.6%) that as of 1990 the number of noninstitutionalized persons between the ages of 16 and 64 years of age has increased to 1,104.

The special housing needs of handicapped households typically include the need for units which are accessible. The requirement that residential units be physically accessible to handicapped persons is regulated by the Uniform Building Code and the State Building Code. Residential application of the requirements, however, is limited to apartment buildings with 20 or more units. The City, through its adoption of the Uniform Building Code, ensures compliance with handicapped access requirements.

**Farmworkers.** There are no agricultural activities conducted within the City which results in a very limited number of farmworkers seeking accommodations. Research efforts to determine the number of farmworkers resulted in the finding that there are so few such persons in Laguna that no statistical information is available.

**Families with Female Heads of Households.** As of 1980, there were 629 families with female heads of household in Laguna Beach, which represented 7.4% of the City's total households. Of these, 365 female-headed families had children under 18 years of age,

representing 4.3% of the City's households. These proportions are slightly lower in comparison to Orange County (9.7% and 6.3%, respectively). It has been estimated (assuming a percentage of 7.4%) that as of 1990 the number of families with female heads of households has increased to 840.

The 1979 median income level for female-headed families in Laguna Beach was \$13,864. This means that well over half of the female-headed families in the City were within the very low or low income categories. The median income for female-headed families with children was \$10,996. While these income levels are relatively low, they were very similar to Orange County income levels for the same types of families.

**Families and Persons in Need of Emergency Shelter.** According to a 1990 estimate by the Laguna Beach Police Department, there are approximately 15 to 25 transients or homeless persons within the City of Laguna Beach. The number fluctuates on a seasonal basis, with an increase during the spring and summer and a substantial decrease during the fall and winter. According to the Police Department, there are at least 15 homeless persons that seem to have permanent attachments in Laguna Beach. Other homeless persons stay for only a limited duration before relocating.

The Police Department estimates that more than 80% of the homeless persons in Laguna Beach are between the ages of 18 and 35 years, and that all but a limited few are males. It is further estimated that the number of homeless children under 18 years of age is minimal.

In an effort to provide assistance to those in need of emergency shelter, the City established an informal shelter which opens during inclement weather conditions. When temperatures fall below 40 degrees without rain and 50 degrees with rain, the shelter opens and provides nightly housing for as many as 15 persons on a first-come, first-served basis. From September, 1989 to April 1990, 108 people utilized the City's shelter. Many of the people were return visitors.

The Friendship Shelter, a non-profit, privately owned and operated transitional shelter, provides transitional accommodations for approximately 25 people at any given time who are seeking to re-establish themselves with full-time work and housing. The shelter is only available to those who have been referred by social welfare agencies and is designed for those who are considered to be the "newly" homeless (those who have been without shelter for less than six months).

Each individual is provided with free accommodations (inclusive of two daily meals, a bed, showers and laundry facilities) for 60 days, as long as job goals are pursued and daily household chores completed. Career counseling and job referrals are provided as well as personal counseling and drug/alcohol abuse programs. Individuals with physical or mental disabilities may be allowed to stay a maximum of 180 days.

The Friendship Shelter has proven very successful and is, for the most



part, well received by the community. The City, in an effort to demonstrate its support for the facility, granted the Shelter a \$100,000 contribution in 1989.

The housing needs of homeless individuals includes transitional housing in the form of single-room occupancy units (SROs and shelters, both emergency and transitional). Due to the high costs of these types of facilities and given the sweeping magnitude of the problems of homelessness, it will be necessary to form a county-wide effort to provide effective assistance. In any case, Laguna Beach is supportive of programs to alleviate homelessness and will continue to pursue alternative housing opportunities for those in need of shelter.

**Persons with Acquired Immune Deficiency Syndrome (AIDS).** The housing needs of people with AIDS depends largely on the stage of the person's illness. Generally, during the early stages, AIDS patients may live independently however, when the disease progresses, a congregate care facility may be necessary. Congregate care facilities which offer reasonably priced housing and medical attention on a twenty-four hour basis would provide relief and comfort to those who suffer from the disease.

Statistics indicate that Laguna Beach has the highest incidence of AIDS in the State. Because of this alarming rate, the City should actively pursue funding for the development of acute care facilities. Existing facilities should be allowed to expand, hospices should be established and new treatment centers encouraged.

A major effort has been initiated to educate the residents of Laguna Beach about AIDS through brochures and lectures. The City should encourage these education efforts by contributing to the Aids Education Task Force. Importantly, the City should maintain active involvement with the local organizations that treat aids patients and continue to provide assistance whenever possible.

### **3. HABITABILITY**

The habitability of housing refers to its structural condition and its ability to provide safe and decent shelter for its inhabitants. In order to be considered satisfactory, a housing unit should be in a sound state of structural repair and should provide all of the standard types of housing facilities (i.e., plumbing and heating). Generally, if both of these criteria are not met, a housing unit is considered to be in substandard condition.

The most recent quantitative estimate of substandard housing in Laguna Beach was done in 1978 by the Southern California Association of Governments (SCAG) as part of their Regional Housing Allocation Model (RHAM) update. The model used two basic classifications for substandard housing.

1. "Suitable for Rehabilitation": Physically and economically feasible to restore to sound condition through rehabilitation.

2. "Needing Replacement": So seriously dilapidated that it is not feasible to repair them.

On the basis of the 1978 RHAM estimates, Laguna Beach has one of the highest proportions of substandard housing units in Orange County. It was estimated that there were 619 housing units suitable for rehabilitation and 199 housing units needing replacement. This equates to a combined total of 818 substandard housing units, or 9.3% of the City's housing stock. The proportion of units in Laguna Beach that are suitable for rehabilitation is more than twice that of the County and it is the second highest out of all the cities in Orange County. Another noteworthy aspect of Laguna Beach's estimated substandard housing is that rental housing comprises an exceptionally high 89% of all substandard housing.

The primary reason for Laguna Beach's high proportion of substandard housing may stem from the age of the City's housing. Laguna Beach has the overall oldest housing stock in Orange County. The following table demonstrates the considerable difference between the age of housing in Laguna Beach and the rest of Orange County.

TABLE 3-14

|   | MEDIAN AGE<br>OF HOUSING STOCK<br>(1980) | PERCENTAGE OF<br>UNITS BUILT<br>PRIOR TO 1950 | PERCENTAGE OF<br>UNITS BUILT<br>PRIOR TO 1940 |
|---|--|---|---|
| Laguna Beach                              | 26.5 years                               | 42.6%   | 23.4%   |
| Orange County                             | 13.5 years                               | 7.5%  | 3.7%  |
| Second Ranked<br>City in Orange<br>County | 19.1 years<br>(Buena Park)               | 18.0%<br>(Santa Ana)                          | 9.1%<br>(Santa Ana)                           |

In addition, Laguna Beach's rental units are smaller than average in size. No other city in Orange County has a higher proportion of rental units with one or less bedrooms than Laguna Beach (49.4%). Furthermore, the median number of rooms for the City's rental units is only 3.5, compared to 4.0 for Orange County. Since smaller unit sizes are a major contributing factor to lower rents, it is likely that the RHAM's assumed correlation between rent levels and structural condition is not as accurate for Laguna Beach as it may be for other cities. In order to compensate for this, the substandard housing estimates for rental housing have been lowered by 12.5%. The resulting estimates are outlined in Table 3-15.



**TABLE 3-15**  
**SUBSTANDARD HOUSING (1978)**  
**REGIONAL HOUSING ALLOCATION MODEL ESTIMATES**

|                         | Units<br>Suitable For<br>Rehabilitation | Units<br>Needing<br>Replacement | Substandard<br>Units | Total<br>Units | Percentage of<br>Substandard<br>Units |
|-------------------------|---|---------------------------------|----------------------|----------------|---------------------------------------|
| <u>OWNED UNITS</u>      |   |                                 |                      |                |                                       |
| Occupied                | 52                                      | 9                               | 61                   | 4,495          | 1.4%                                  |
| Vacant                  | 0                                       | 26                              | 26                   | 207            | 12.6%                                 |
| <b>Total</b>            | <b>52</b>                               | <b>35</b>                       | <b>87</b>            | <b>4,702</b>   | <b>1.9%</b>                           |
| <u>RENTAL UNITS</u>     |   |                                 |                      |                |                                       |
| Occupied                | 395                                     | 115                             | 510                  | 3,697          | 13.8%                                 |
| Vacant                  | 101                                     | 28                              | 129                  | 327            | 34.2%                                 |
| <b>Total</b>            | <b>496</b>                              | <b>143</b>                      | <b>639</b>           | <b>4,074</b>   | <b>15.7%</b>                          |
| <b>Total- All Units</b> | <b>548</b>                              | <b>178</b>                      | <b>726</b>           | <b>8,776</b>   | <b>8.3%</b>                           |

Source: SCAG Regional Housing Allocation Model, 1978 Update, as revised by City of Laguna Beach, Department of Community Development.

In addition to structural conditions, habitability also involves the provision of standard housing facilities. Listed below are 1980 Census statistics related to incomplete housing facilities.

**TABLE 3-16 (1980)**  
**SELECTED HOUSING CHARACTERISTICS**

|  | Units | Percent of<br>Total Units |
|--|-------|---------------------------|
| Units With No Heating Facilities   | 50    | 0.6%                      |
| Units Without Complete Plumbing Facilities   | 55    | 0.7%                      |
| Units Without Complete Kitchen Facilities <sup>(9)</sup>   | 214   | 2.4%                      |
| Units With No Bathroom or Only a Half Bath   | 159   | 1.8%                      |
| With the exception of "Units Without Complete Plumbing Facilities", the number of units in all of these categories are substantially above the County average. |       |                           |

#### 4. OVERCROWDING

In addition to simply providing decent shelter, a housing unit should provide a reasonable degree of privacy for its inhabitants. According to guidelines set by the State Department of Housing and Community Development, a housing unit is considered to be overcrowded if it is

inhabited by more than one person per room.<sup>(10)</sup>

Where overcrowding does exist in Laguna Beach, it is likely that the majority of cases involve small housing units inhabited by a moderate number of persons rather than larger housing units inhabited by many persons. This is indicated by the City's relatively high proportion of small housing units (13.7% of all housing units have two or less rooms) and a relatively low proportion of large households (4.4% of all households have five or more persons). Of the overcrowded units in Laguna Beach, the majority fall within the 1.51 or more persons per room category.

A notable characteristic of the City's overcrowded housing units is that over 80% of them are rental units. There are only two other cities in Orange County in which rental units comprise a larger majority of overcrowded housing units.

By geographical areas, 75% of the City's overcrowded units are located within the Coastal sub-areas. Of the neighborhood areas, the highest concentration of overcrowded units is found in the Central Village area, where 5.3% of all occupied units are overcrowded.

- 
- (9) This figure may include, but is not limited to the number of registered sleeping rooms in the City, which are legal dwelling units not permitted to have kitchen facilities.
- (10) By Census Bureau definition, "rooms" include living rooms, dining rooms, kitchens, bedrooms, finished recreation rooms, enclosed porches suitable for year-round use and lodger's rooms.

In summary, overcrowding in Laguna Beach exists only in limited proportions. The overcrowded housing units that do exist are primarily: (1) small in size; (2) occupied on a rental basis; and (3) located within the Coastal sub-areas of the City.

**TABLE 3-17**

**OVERCROWDED HOUSING UNITS (1980)**

|   | <u>Laguna Beach</u> |        | <u>Orange County</u> |        |
|---|---------------------|--------|----------------------|--------|
| Occupied Housing Units                  | 8,555               | 100.0% | 686,267              | 100.0% |
| Overcrowded Units                       | 178                 | 2.1%   | 38,323               | 5.6%   |
| Units with 1.01-1.50<br>Persons/Room    | 67                  | 0.8%   | 20,349               | 3.0%   |
| Units with 1.50 or More<br>Persons/Room | 111                 | 1.3%   | 17,974               | 2.6%   |

**TABLE 3-18  
OVERCROWDED HOUSING UNITS  
BY CITY SUB-AREAS (1980)**

|   | <u>Hillside</u> |        | <u>Coastal-North</u> |        | <u>Coastal-South</u> |        |
|---|-----------------|--------|----------------------|--------|----------------------|--------|
| Occupied<br>Housing Units               | 2,972           | 100.0% | 2,492                | 100.0% | 3,091                | 100.0% |
| Overcrowded Units                       | 43              | 1.5%   | 54                   | 2.2%   | 81                   | 2.6%   |
| Units with 1.01-1.50<br>Persons/Room    | 23              | 0.8%   | 13                   | 0.5%   | 28                   | 0.9%   |
| Units with 1.50 or<br>More Persons/Room | 17              | 0.6%   | 41                   | 1.7%   | 53                   | 1.7%   |

## **5. ENERGY CONSERVATION OPPORTUNITIES**

A contributing factor to overall housing costs is the cost of gas and electrical utilities. As a result of sharp increases in these costs over recent years, the significance of utilities as a component of housing costs has increased considerably. Furthermore, the trend toward higher utility costs is expected to continue.

The cost of household utilities, particularly heating and cooling costs, are highly dependent upon the severity of the local climate. Laguna Beach's climate, however, is very mild due to its location on the coastline in southern California. The effects of employing energy conservation measures in Laguna Beach, therefore, may not be as pronounced as would be the case in other regions.



Considerable opportunity for energy conservation retrofittings does exist because of the relatively old age of much of the City's housing stock and the fact that these homes were not constructed in an energy efficient manner. More than 85% of the housing units in Laguna Beach were constructed before the enactment of State energy conservation construction requirements. The City's best strategy for effective energy conservation is to promote and encourage energy efficient retrofitting of existing homes. Among the more common types of retrofitting measures are weatherstripping and caulking of doors and windows and installation of insulation in ceilings and walls and around pipes. As a means to promote and encourage this, the Building Division can provide information and advice as part of its normal public contact services. Also, public utility companies offer several energy conservation retrofitting services, including information on a variety of conservation techniques, on-site evaluation of conservation needs and rebates for conservation retrofitting costs. The City's HCD housing rehabilitation program can also be used to promote energy conservation by encouraging program participants to include retrofitting as part of the rehabilitation work.

New development can be encouraged to include solar heating and cooling systems to incorporate solar principles in the design and orientation of buildings.

## **6. Jobs/Housing Balance**

A major concern in the area of energy conservation is the relationship of housing to employment and the necessary transportation lines between them. While specific energy savings are difficult to quantify because of the myriad of variables involved in a transportation system, it is generally true that the proximity between home and work provides transportation energy savings. With regard to Laguna Beach, the existing lack of affordable housing increases energy use by forcing workers employed within the city to seek less expensive housing outside of the City. It should be noted that the amount of remaining land for residential development is not likely to mitigate this concern. The jobs/housing balance in the city cannot be expected to be mitigated by either residential or employment generating development within the City due to the lack of available, undeveloped land.

In an attempt to address the City's jobs to housing ratio, several measures have been employed. An artists joint living and working quarters ordinance was adopted in 1986 to provide artists the option of living and conducting art-related activities within the same space. An overlay zone was created to allow rural home occupations in a recently annexed portion of the Canyon and the City allows home occupations throughout its jurisdiction, subject to a number of conditions. Furthermore, it is anticipated that as technology advances, more opportunities will be presented for telecommuting which will enable individuals to work from their residences through use of personal computers.





#### SECTION IV: INVENTORY OF RESOURCES AND CONSTRAINTS



## SECTION IV: INVENTORY OF RESOURCES AND CONSTRAINTS

### 1. RESIDENTIAL DEVELOPMENT POTENTIAL

#### A. New Development Opportunities

In 1980, the permitted uses in each of the City's zoning categories were analyzed to determine the eligibility and minimum design standards of residential development within each zone. The evaluation considered development potential of vacant parcels which satisfied the City's definition of legal building sites and parcels which were residentially undeveloped or underdeveloped and could accommodate additional units by virtue of zoning and parcel size. It should be noted, however, that zoning regulations such as setbacks, open space and parking requirements may prevent some parcels from being developed to their full potential. The City's Land Use Element contains additional information on development opportunities. It should be noted that the 1990 amendment includes an updated evaluation of the City's residential development potential.

As part of the 1990 Housing Element amendment, a survey was conducted to update 1984 totals for residential building potential. This survey included a review of the number of building permits issued for residential development between 1985 and 1990 and an evaluation of the number and type of demolition permits issued. The survey results are provided in Table 4-2.5

The 1984 table was prepared before the development of one of the most significant additions to the City's housing stock had been completed. In 1985 - 1986 a segment of the Sycamore Hills area was developed with a total of 664 dwelling units. Of this total, 108 of the units were detached, single-family dwellings and 166 were two-family town homes. The remaining 421 units were built as condominiums. An agreement with the developer stipulated that the condominiums were to be rented as apartments for a ten-year period. This was done in an effort to increase the City's rental housing market, even if only on a temporary basis.

In addition to the building permit survey, vacant parcels in South Laguna were examined for their building potential. The number of vacant parcels in particular zones is provided in Table 4 - 2.

#### 1. R-1 and other Single-Family Residential Zones.

The largest number of potential new residential units within the R-1 zone occurs in the hillside area of the City. As of 1984, there were a total of 356 vacant subdivided lots determined to be legal building sites zoned for single family residences. It was determined that future building potential also existed from numerous situations where existing houses were built across more than one lot. In the event that these existing houses are removed, the properties will revert back to multiple building sites. Taking this into account, the



Table 4-1

## Residential Growth Potential

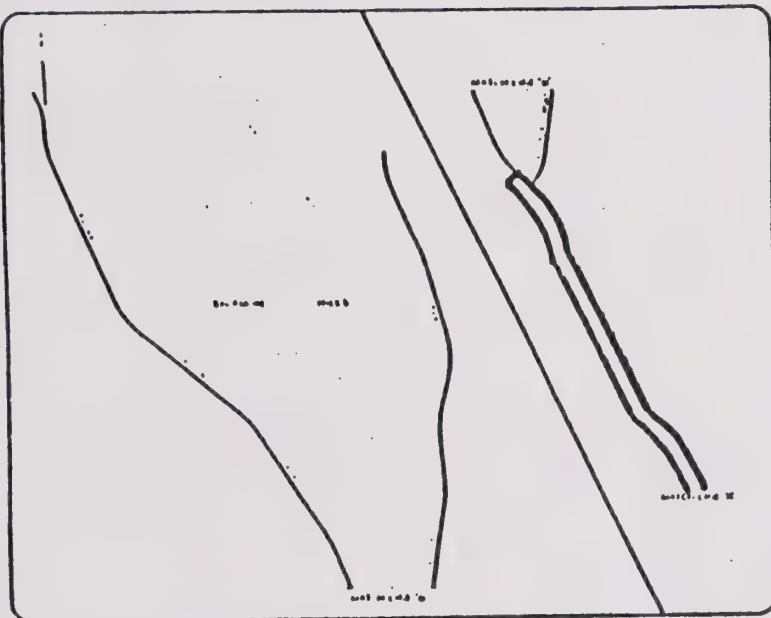
MAP  
INDEX

| MAP<br>INDEX<br>NO. | NEIGHBORHOOD                                    | R-1           | R-2          | R-3          | LBP         | C-1         | DTSP          | TOTAL                                    |
|---------------------|---|---------------|--------------|--------------|-------------|-------------|---------------|--|
| 1)                  | Arch Beach Heights                              | 153           |              |              |             |             |               | 153                                      |
| 2)                  | Bluebird Canyon                                 | 52 (52/52)    |              |              |             |             |               | 52 (52/52)                               |
| 3)                  | Canyon Acres                                    | 9 (09/09)     |              |              |             |             |               | 9 (09/09)                                |
| 4)                  | Central Business<br>District                    |               |              | 17           |             | 40 (6/14)   | 696 (03/15)** | 753 (09/19)                              |
| 5)                  | Diamond/Crestview                               | 66 (54/54)    |              |              |             |             |               | 66 (54/54)                               |
| 6)                  | Irvine Cove                                     | 6 (04/04)     |              |              |             |             |               | 6 (04/40)                                |
| 7)                  | Laguna Canyon Road                              |               |              |              |             |             |               | 0  |
| 8)                  | Mystic Hills                                    | 75 (74/74)    | 14 (05/05)   | 25 (05/09)   |             |             |               | 114 (84/88)                              |
| 9)                  | North Laguna                                    | 45 (06/06)    | 144 (15/15)  | 52 (02/04)   |             | 187 (11/24) |               | 428 (34/49)                              |
| 10)                 | Portafina                                       | 157 (131/131) | 17 (17/17)   |              |             | 15 (01/02)  |               | 189 (148/150)                            |
| 11)                 | South Laguna                                    | 23 (12/12)    | 184 (23/23)  | 35 (03/03)   | 103 (2/7)   | 212         | 50            | 607 (40/45)                              |
| 12)                 | Temple Hills                                    | 46 (36/36)    |              |              |             |             |               | 46 (36/36)                               |
| 13)                 | Top of the World                                | 9 (09/09)     |              |              |             |             |               | 9 (09/09)                                |
| 14)                 | Woods Cove                                      | 71 (41/41)    | 51 (04/04)   | 26 (03/06)   |             | 67          |               | 215 (48/41)                              |
| 15)                 | Sycamore Hills/<br>Canyon Hills                 | 108 (108/108) | 166 (01/166) | 421 (1/421)  |             |             |               | 695 (110/695)                            |
| 16)                 | South Laguna*<br>Annexation (1990)              | 169 (169/169) |              | 1 (01/06)    |             |             |               | 175 (167/169)                            |
|                     | Total   | 989 (989/989) | 576 (64/130) | 671 (15/449) | 103 (02/17) | 521 (18/40) | 756 (03/05)   | 3517 (804/1430)                          |
|                     | Total building permits issued between 1985-1989 |               |              |              |             |             |               | -907                                     |
|                     |   |               |              |              |             |             |               | 2610 Total<br>Potential<br>Housing Units |

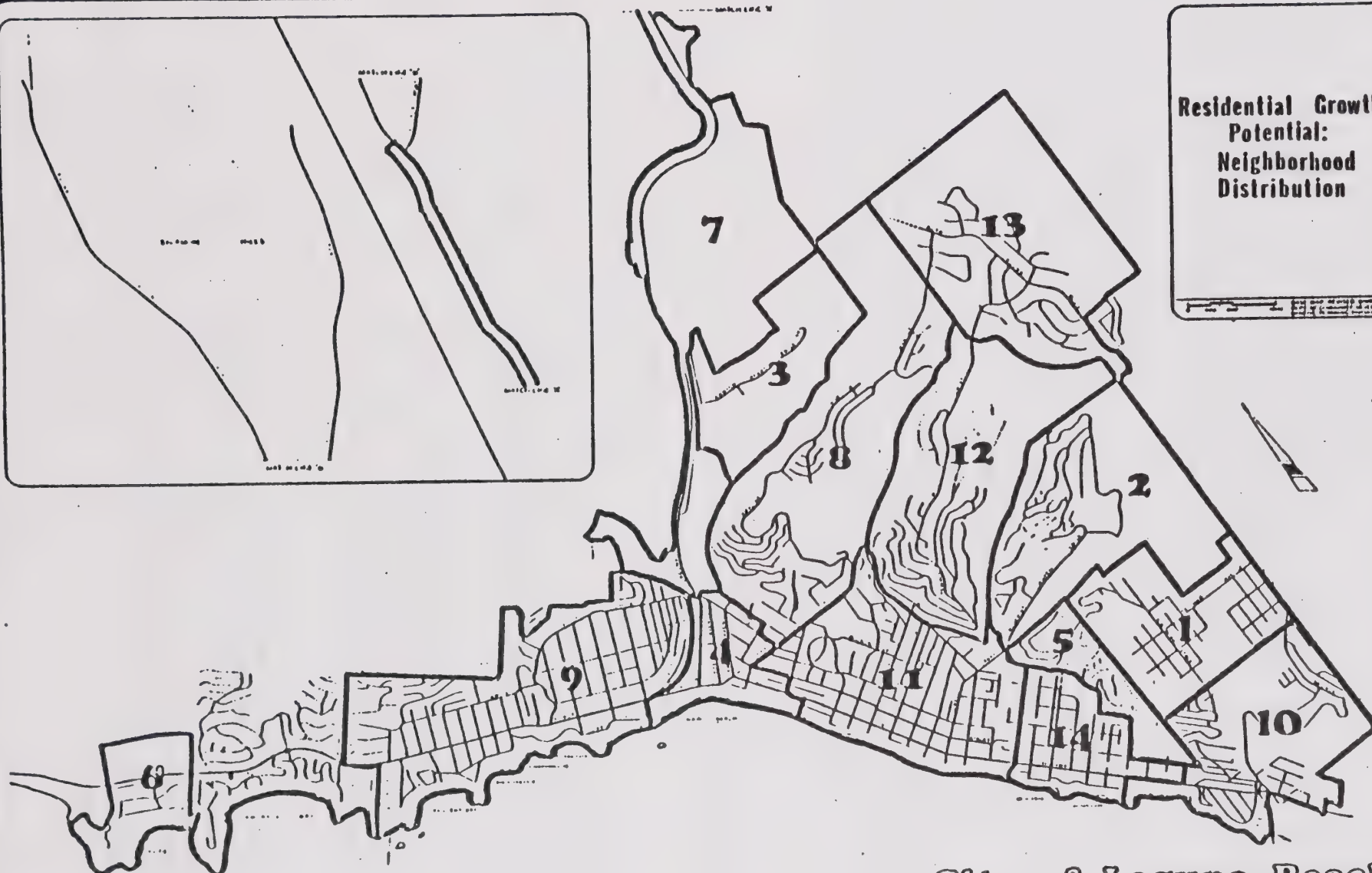
For example: 25 (05/09) means there are 25 total potential housing units; this includes redevelopment of structures that cross over lines. The figures in parentheses represent the number of vacant lots (05) and the total unit potential of those vacant lots (09).

\* Calculated in 1990 by reviewing vacant parcels in South Laguna

\*\* Downtown Specific Plan figures include potential mixed use developments, existing vacant lots and potential affordable housing sites.



**Residential Growth  
Potential:  
Neighborhood  
Distribution**



**City of Laguna Beach**



overall growth potential for the R-1 zone was determined to be 558 units. This represented 78% of the total growth potential for the R-1 zone. There was a total of 428 vacant lots within all R-1 areas with an overall potential yield of 712 units, including the potential from redevelopment. These figures do not take into consideration the possible establishment of second units as provided for under Section 65852.2 of the State Government Code.

The 1990 survey of the South Laguna area revealed that there were 95 vacant parcels within the R-1 zone and 12 vacant parcels in the Hillside Management/Conservation Zone which are considered legal building sites. Each parcel could support the development of one single family dwelling, resulting in a total residential development potential of 107 units. It was not determined how many of these parcels had houses built over original subdivision lines.

Two other single family zones occur in the South Laguna area; the Three Arch Bay (TAB) Zone and the Village Community (VC) Zone. Both of these zones allow for residential development at a density of one unit per lot. There are a total of 34 vacant parcels in the Three Arch Bay Zone and a total of 28 parcels in the Village Community Zone, resulting in a development potential of 62 units.

Table 4 - 2 is a summary of vacant parcels in South Laguna.

The potential for new development through new subdivisions is very limited. This situation is further discussed under "Land Availability and Costs."

## **2. R-2 (Residential Medium Density) Zone**

The remaining vacant R-2 lots in the City (63) are generally less than 4,000 square feet in area and, therefore, could yield only one residential unit despite the "duplex" zoning (i.e. one unit per 2,000 sq. ft. of lot area). Nevertheless, a large percentage of property zoned for duplex development is currently underutilized, supporting just one unit on parcels larger than 4,000 square feet.

Maximum development of underutilized properties, along with buildout of existing vacant parcels, could provide a total of 410 new units within the R-2 zone in 1984. Over 90% of the development potential in R-2 zones was found to be located within the coastal plain portion of the City. There is no R-2 zoning in the South Laguna Annexation area.

## **3. R-3 Residential High Density Zone**

Like development opportunities in the R-2 zone, the majority of new residential units in the R-3 zone will consist of expanding development opportunities on existing underutilized lots. There were only 13 vacant lots zoned R-3 in 1984, yet the total yield potential of all R-3 properties was found to total 155 units, one-third of which were located in the North Laguna neighborhood. As of 1990 there was one undeveloped parcel zoned R-3 in the South Laguna area which could support approximately six units.



**TABLE 4.2**  
**VACANT BUILDING SITES IN SOUTH LAGUNA**  
**ANNEXATION AREA (1989)\***

| R-1 | HM/C | TAB | VC | R-3  | <u>Total</u> |
|-----|------|-----|----|------|--------------|
| 95  | 12   | 34  | 28 | 1(6) | 175          |

**TABLE 4-2.5**  
**NEW RESIDENTIAL UNITS\***  
**(Built between Jan. 1985 - Dec. 1989)**

|                                   | <u>1985</u> | <u>1986</u> | <u>1987</u> | <u>1988</u> | <u>1989</u> | <u>Total</u> |
|-----------------------------------|-------------|-------------|-------------|-------------|-------------|--------------|
| <u>Single Family Dwellings:</u>   | 24          | 80          | 133         | 152         | 40          | 429          |
| <u>Multiple Family Dwellings:</u> | 6           | 25          | 84          | 337         | 15          | 467          |
| <u>Total:</u>                     | 30          | 105         | 217         | 489         | 55          | 896          |

\* Compiled from City of Laguna Beach Building Department Files.

#### **B. Possible Sites for Low- and Moderate-Income Housing Projects**

Several sites within the City may be suitable for low- and moderate-income housing. This assessment includes both those sites that are City owned and sites (both publicly and privately owned) that have been identified in previous studies as possible locations for affordable housing.

Over the years, the City has acquired a number of properties. However, of the 84 properties listed on the City's inventory of public property, only five represent possible locations for low- and moderate-income housing. The unit potentials outlined in the following summary are approximations based upon lot size and current residential development standards. To obtain these unit potentials, many of the sites would need to undergo environmental analysis and changes in General Plan designations and/or zoning.

1. **City Nursery:**           **North Laguna (1)**  
     Size:                    1.8 Acres (78,408 sq. ft.)  
     Current Zoning:       R-1  
     Potential Units:       13
  
2. **Forest-Ocean Avenue Parking Lot**  
     Size:                    .36 acres (15,575 sq. ft.)  
     Current Zoning:       Downtown Specific Plan  
     Potential Units:       5 - 7
  
3. **Mermaid-Glenneyre Street Parking Lot**  
     Size:                    .13 Acres (5,650 sq. ft.)  
     Current Zoning:       Downtown Specific Plan  
     Potential Units:       1 - 5
  
4. **Village Entrance Project (2)**  
     Size:                    1.5 Acres (65,340 sq. ft.)  
     Current Zoning:       Downtown Specific Plan  
     Potential Units:       24 - 503

In addition to City owned property, four areas not owned by the City have been identified as possible locations for affordable housing. (Refer to attached map.) Adequate public facilities exist or are planned for all these sites.

#### **Area 1:**

This area is located adjacent to Laguna Canyon Road and is currently owned by the U.S. Postal Service. The site consists of two parcels totaling 3.8 acres. Based upon current General Plan density standards, the site has a development potential of 57 to 83 units.

#### **Area 2:**

The second area indicated as a potential site for affordable housing is the Boat Canyon Shopping Center. Plans for redevelopment are currently being discussed by the City and the property owner. The project contemplates a mixed use development consisting of commercial and residential uses. The residential units are intended for low-income senior citizens.

- 
- (1) If the General Plan were amended to Village High Density (15-22 units/acre), 27-39 units would be possible.
  - (2) Based upon the Lumberyard Parking Lot Feasibility Study prepared by International Parking Designs for the City of Laguna Beach.
  - (3) Preliminary study prepared for The Irvine Company, by J. L. Webb Planning, January. 1981.
  - (4) Ibid.

### **Area 3:**

The third area entails two different parcels on opposite sides of Canyon Acres Drive adjacent to Laguna Canyon Road. The parcel on the northerly side of Canyon Acres Drive is currently vacant and has an area of one acre. The other parcel is slightly less than an acre and is also vacant. If the General Plan designations on these parcels were amended to Village High Density, their potential unit yields would be 15 to 22 units and 14 to 20 units, respectively.

## **2. GOVERNMENTAL CONSTRAINTS**

Government regulation of housing development is established to protect the public welfare and is intended to maintain a particular standard or quality of development within the community. These regulations, however, may also result in constraints on the maintenance, improvement and development of housing. Their impact is examined below:

### **A. Land Use Controls**

Land use designations are typically established through the City's General Plan and Zoning. The Land Use Element, particularly, impacts development of housing by determining to a great extent the location, distribution and density of housing within the City.

In addition to residential designations, additional housing opportunities are also available on a limited basis within the City's three commercial designations: Local Business-Professional, Commercial-Tourist Corridor and Central Business District.

It should be noted that between 1985 and 1989, several revisions were made to commercial zones which encouraged mixed residential/commercial development. The Local Business Professional Zone, the Downtown Specific Plan and the C-1 zone include residential uses as permitted uses subject to a conditional use permit.

The type of housing permitted within an area is affected by zoning and land use density designations. Density standards, in turn, impact the cost of housing since land and construction costs are lower for high density housing. Low and moderate-income housing, in particular, can be constrained by density limitations. The City has, however, instituted a density bonus program in its Land Use Element that alleviates this constraint.

Mobile and manufactured housing provide opportunities for lower cost housing and are accommodated in the City's regulations. Mobile homes are permitted within the Mobile Home Zone, while modular homes which meet the Uniform Building Code standards are permitted in any residential zone.

### **B. Building Codes**

Building codes establish minimum standards for construction, which are







essential for ensuring protection of the public health, safety and welfare. All building construction, alterations, demolitions or repairs within Laguna Beach are subject to the provisions of the Uniform Building Code (UBC) and Title 14 of the Laguna Beach Municipal Code. These requirements may result in some incremental increases in the cost of housing construction, in that stricter building requirements often increase construction costs. The purpose of imposing these requirements, however, is to enhance public safety. The City's building code allows some alterations to historic buildings without conformance to all its requirements if health and safety requirements can be maintained. In addition, the City's Historic Preservation Ordinance, by reference, includes the State Historic Building Code and allows greater flexibility and guidance in the rehabilitation of historic buildings.

#### **C. Subdivision Controls and Site Improvements**

The Subdivision Map Act and Title 21 of the Laguna Beach Municipal Code authorizes the City to require public improvements for new subdivisions. These improvements typically include street and park dedications, curbs, gutters, sidewalks and drainage improvements. The requirement that developers provide public improvements may act as a constraint to housing. The overall intent of these requirements, however, is to enhance the public safety and welfare and to ensure uniformity of improvements throughout the community.

In addition to providing public improvements, new subdivisions must also be consistent with the General Plan. Many of the policies applicable to new subdivisions pertain to development within sensitive areas. These policies focus on such issues as view preservation, preservation of biological values and restoration and preservation of natural drainage channels. Although these policy requirements may represent constraints to housing development, they are necessary to protect the sensitive hillside environments within the City.

#### **D. Fees and Processing**

The Department of Community Development is responsible for processing development applications within the City. These applications typically include building permits, land divisions, conditional use permits, variances and design review. Fees are collected in order to cover the cost of processing and inspections.

TABLE 4-2

## COMPARISON OF PLANNING AND PERMIT FEEES

| <u>Jurisdiction</u> | <u>Use Permit</u> | <u>Variance</u> | <u>Appeal Fee</u>           |
|---------------------|-------------------|-----------------|-----------------------------|
| Laguna Beach        | \$300             | \$1,000         | \$100                       |
| Newport Beach       | \$867             | \$867           | \$325                       |
| Huntington Beach    | \$350             | \$150           | \$165                       |
| Fountain Valley     | \$250             | \$250           | \$125                       |
| Orange County       | \$3,800           | \$1,600         | \$760 Com'l<br>\$280 Resid. |

Sources: City of Laguna Beach Community Development Department and Planning Departments of the above named jurisdictions.

TABLE 4-2.5

## LAGUNA BEACH PERMIT FEES

|                     |                     |
|---------------------|---------------------|
| Use Permit          | \$ 300.00           |
| Variance            | \$ 1000.00          |
| Zone Change         | \$ 750.00           |
| Tentative Tract     | \$ 900.00 + 300/lot |
| Park In-Lieu        | \$ 4000.00*         |
| Housing In-lieu     | \$10,670.00         |
| Drainage Fees       | \$ 7,000/acre       |
| Building Permit 1   | \$ 918.00           |
| Plan Check 2        | \$ 596.70           |
| Electrical Permit 3 | \$ 66.00            |
| Plumbing Permit 4   | \$ 44.00            |
| Grading Permit 5    | \$ 60.00            |

\* Based on recent approvals

- (1) Based on 1,500 square foot structure with 369 square foot garage and assumed valuation \$ 143,316
- (2) Based on 1,500 square foot structure
- (3) Ibid.
- (4) Ibid.
- (5) Assumed 200 cubic yards

## **1. Development Fees**

**a. In-Lieu Park Fee:** The Subdivision Map Act and Title 21 of the Laguna Beach Municipal Code authorize the City to require either the dedication of land, payment of a fee or a combination of the two as a condition of approval for a tentative map or parcel map. The amount of land required for park dedication is determined by the density and area of the subdivision. A fee in-lieu of land dedication is allowed, based upon the fair market value of the amount of land which would otherwise be required for dedication. In-lieu fees for recently approved subdivisions have averaged near \$4,000 per lot.

**b. Drainage Fees:** The Subdivision Map Act and Municipal Code Title 21 also authorize the City to collect drainage fees. The City is divided into three drainage areas. Subdivisions within the north and west local drainage areas are not required to pay drainage fees; however, they are required to construct drainage facilities necessary to conduct storm waters within and from the subdivision. Subdividers within the central local drainage area are required to pay drainage fees based on the intensity of development and averaging near \$7,000 per acre.

**c. In-Lieu Affordable Housing Fees:** Section 65590(d) of the California Government Code requires new housing developments within the Coastal Zone to provide, where feasible, housing units for persons or families of low or moderate income. Where such housing is not included as part of a proposed development project, the City requires payment of an in-lieu fee of \$10,657 per lot or unit for this purpose. This fee is based on the number of units proposed and is made a condition of approval for residential subdivisions.

## **2. Processing and Permit Fee:**

Processing fees typically include those items considered to be planning or zoning matters. These include land divisions, lot line adjustments, tentative tract maps, environmental determinations, design review, zone changes, variances and conditional use permits.

The fees for planning and zoning related projects are established to cover the cost of staff time devoted to the project. Many of these projects require public hearings and involve a significant amount of staff time for review and analysis.

Building and planning permits involve plan checking for building, electrical and plumbing code compliance, zoning compliance, grading and environmental review compliance. Delays in permit processing can increase housing costs. The most common delay results from increased building activity combined with a limited number of staff. The Building Division currently has a system which allows developers to have a structural plan check performed by a City appointed consultant. This decreases the time involved in obtaining a permit; however, a higher fee must be charged for this service.



Although it is unlikely that a single project would involve all of the fees previously mentioned, a new subdivision could incur the cost of a majority of the fees. The City's fee schedule reflects the actual cost of providing the service needed to process each permit. This includes both administrative and staffing costs. In the case of park, drainage and housing fees, the fee is based on the project's fair share cost of providing the facility or service.

There is little opportunity for reduction of these fees in order to lower housing costs. In some instances involving low- and moderate-income housing projects, however, it may be possible to reduce or waive processing and permit fees.

TABLE 4-3

**CITY OF LAGUNA BEACH  
DEVELOPMENT PROCESSING TIME**

|  |                            |
|--|----------------------------|
| Design Review (DR) <sup>6</sup><br>Variance (VA)<br>Conditional Use Permit (CUP) | 2 months (minimum)         |
| Structural Plan Check <sup>7</sup>   | 1 - 6 weeks (staff time)   |
| Coastal Permits <sup>8</sup>   | 8 - 10 weeks               |
| General Plan Amendment   | 4 - 5 months <sup>9</sup>  |
| Zone Change  | 4 months <sup>10</sup>     |
| Tentative Tract Map  | 4 - 5 months <sup>11</sup> |

<sup>6</sup> Includes zoning, environmental and public works review; excludes time taken by applicant for corrections and 21-day public noticing period. All three types of permits may be processed concurrently.

<sup>7</sup> Structural plan check processing through the City and coastal permit processing through the California Coastal Commission can occur simultaneously.

<sup>8</sup> Ibid.

<sup>9</sup> Includes Environmental Impact Report preparation and a 45-day State review period.

<sup>10</sup> Ibid.

<sup>11</sup> Ibid.



## **E. Infrastructure**

A community's infrastructure can represent constraints to housing development in that available capacity plays a major role in directing development. The timing and sizing of public facilities such as water and sewer lines and transportation systems can influence the location, timing and intensity of development. In Laguna Beach, however, the infrastructure is in large part already established. Much of the new housing opportunities within the City will occur as infill and redevelopment within existing developed areas.

The City's sewer and water systems do not represent constraints to housing development in that they both can accommodate additional growth. The sewage treatment capacity for the City has risen nearly 50% as a result of the recent transfer of facilities to the new Aliso Water Management Agency treatment plant. The City's street systems, however, are severely constrained and the likelihood of widening streets is limited due to existing development.

### **3. NON-GOVERNMENTAL HOUSING CONSTRAINTS**

#### **A. Land Availability and Costs**

Laguna Beach's clean air, abundant hillside open spaces, mild climate, "village" atmosphere, and close proximity to major employment centers and urban amenities all serve to create a high market demand for the remaining limited supply of developable land. This high market demand has had a strong impact on the financial aspects of residential development in the City and is evidenced in the cost of raw, undeveloped land and new housing.

There are approximately 1,145 acres of undeveloped hillside land remaining in the City (excluding Sycamore Hills); however, development of this land is restricted by numerous factors. Among these are excessive slope, geologic constraints, traffic capacity limitations, access restrictions, and viewshed and open space considerations.

Land availability is also a major constraint in the Coastal area of the City. There are no large parcels of unsubdivided residentially zoned property remaining in this area and there are only 135 vacant lots, of which only 38% are zoned for multiple density development.

High land costs in the City are a major factor in high square footage costs for housing provision. High land costs also trigger higher costs in other areas of development. To balance the price of land, developers must increase amenities within the housing unit as well as within the community area in order to justify the higher prices paid for land. High land prices appear to be a major factor resulting in increased construction costs.

Land availability is a substantial problem in the coastal plain; however, land costs are generally lower than in the hillsides. Hillside land costs are very high compared to most other parts of

Orange County and are more expensive to develop due to extensive grading and engineering costs. Generally, the easier lots to develop are built out which means that the more difficult, hillside lands remain.

In order to counteract limited land availability, the City promotes innovative housing concepts such as mixed use developments, artists live/work quarters, mobile homes and the rehabilitation of existing historic homes.

## **B. Construction Costs**

Construction costs are probably the second largest factor contributing to the total selling price of a housing unit. These costs vary significantly depending upon terrain constraints, size of the housing unit and materials used. Because of the many variables involved in constructing a home, it is difficult to provide estimates that will not be outdated the moment they are presented.

Construction costs are expected to continue increasing rapidly. Cities may alleviate the cost of construction by expeditiously processing building permits. Avoiding delays in processing time helps keep costs down.

## **C. Financing Costs**

Single-Family Housing. No single factor has a greater impact on housing supply and affordability than financing costs. Low interest rates usually create a strong housing market and an abundance of housing opportunities, while high interest rates often cause stagnation in the housing market. As important as financing costs are, it is the one determinant over which local government has the least control.

Historically, interest rates have not always played such a prominent role in housing costs. In 1960, finance charges added \$26,180 to the selling price of a home in Laguna Beach with a median value of \$21,700.<sup>14</sup> Inflationary increases of the late 1960's through the 1970's caused housing costs and interest rates to rise dramatically.

In 1980, financing costs added \$472,702 (236%) to the overall cost of a median priced Laguna Beach home and required a minimum gross income of \$52,740 per year. Housing cost increases of this magnitude impact most prospective home buyers, particularly first time buyers. A study by the U.S. League of Savings and Loan Associations shows that only 15% of homes in 1980 were first home purchases. Potential first-time home buyers (e.g., renters) are largely being priced out of the homeownership market.

<sup>14</sup> Source: 1960 U.S. Census. Assumes a 20% down-payment and 6.2% interest rate.

The future trend in mortgage interest rates will substantially affect the number of buyers that will be able to enter the homeownership market. Since local government has virtually no influence on the economic circumstances that determine interest rates, responses to high financing costs are limited and reactive in nature. There are County, State and Federal programs to help lower the cost of financing, but funding for such programs often fluctuates. The City can participate in providing the public with current status information on funding availability and qualification requirements for these programs. Current information on innovative financing methods available in the private sector can also be provided.

Of available Orange County housing financing programs, the Mortgage Revenue Bond Program may be of particular benefit to Laguna Beach. The Revenue Bond Program generates capital via tax-free bonds. The revenue is then used to write down mortgage loan interest rates for first-time buyers of units in qualified low- and moderate-income housing projects.

**Rental Housing.** High interest rates also detrimentally affect the construction of new rental housing, increasing cost and limiting supply. Between 1980 and 1983, interest rates on construction loans in excess of \$500,000 ranged from 11.35% to 16.99%.<sup>15</sup> This has contributed to a severe decline in the production of rental housing, which is a critical housing source for low- and moderate-income households. The Orange County Mortgage Revenue Bond Program may be useful in promoting this type of housing.

**Availability of Financing.** Because of the high lending risks involved, lending institutions will sometimes refuse credit to certain income groups and/or within certain neighborhood areas. Since there are no highly dilapidated or very low income neighborhoods in Laguna Beach, the preclusion of credit within specified neighborhoods is generally not a problem. With respect to low-income households, however, the refusal of credit can be a significant problem, particularly when needed for home maintenance. If money is not available to undertake needed maintenance, these owners may be forced out of their homes. In response, Laguna Beach is currently involved in the County of Orange Home Improvement Program. This program, supported by Community Development Block Grant funds, provides low interest (currently 3%) rehabilitation loans to low- and moderate-income households.

---

<sup>15</sup> Source: Statistical abstract of the United States, 1984, U. S. Department of Commerce Bureau of the Census.

## **SECTION V: GOALS, POLICIES AND PROGRAMS**





## **SECTION V: GOALS, POLICIES AND PROGRAMS**

This section contains the City's housing implementation program. It has been formulated in consideration of several factors, including the areas of greatest housing need in the City; the obstacles and restrictions that must be recognized in addressing housing needs; and opportunities and resources that are available to help solve housing problems.

The housing implementation program has been divided into three parts, each of which deals with related housing issues: (1) Housing Provision and Affordability; (2) Housing Accessibility and Special Needs; and (3) Housing Improvement and Maintenance. Each part of the housing program is composed of the following subsections:

**Introduction.** The introduction describes the framework, orientation and background of the topic.

**Issue Statement.** This subsection identifies and evaluates the pertinent issues of each housing component and includes a strategy for resolution of these issues.

**Goals.** These are statements that represent the ultimate purpose of the housing program and function as an indicator of the priorities and objectives of the plan.

**Policies.** These statements indicate the particular course or direction that the City will pursue regarding various housing matters.

**Programs.** The housing programs consist of a set of specific actions that the City intends to carry out in its efforts to fulfill its policies and attain its goals. Each action is listed along with its anticipated impact, the agency responsible for carrying it out, the source of financing involved (if any) and the time frame for its implementation (from 1985 to 1989).

### **PART 1: HOUSING PROVISION AND AFFORDABILITY**

#### **I. INTRODUCTION**

This area of concern covers two of the most basic housing issues: (1) providing enough housing to accommodate all of the households in the City; and, (2) providing housing that all of the City's households can afford.

In 1979, over 60% of the City's households were in the low- to moderate-income categories. However, high land costs and other market forces have increased the cost of much of the City's housing and have caused almost all new housing produced on the open market to be priced beyond the means of low - and moderate - income households. Furthermore, the ability to produce new affordably priced housing in Laguna Beach is constrained by a significant shortage of suitable land for development of this nature. Consequently, one of the City's

largest housing needs and one of the primary focuses of this section is to provide for the creation of as much new low- and moderate-income housing as possible and to try to preserve the City's existing lower cost housing.

## II. ISSUE STATEMENT

### A. Coastal Zone Housing Program

Article 10.7 of the State Government Code (Section 65590, et al.) establishes special requirements for providing low- and moderate-income housing in conjunction with new development within the State Coastal Zone. Since the Coastal Zone encompasses all of Laguna Beach except the Sycamore Hills area, these requirements will have application to new residential development in the City. Government Code Section 65590(d) requires that:

New housing developments constructed within the coastal zone shall, where feasible, provide housing units for persons and families of low or moderate income, as defined in Section 50093 of the Health and Safety Code. Where it is not feasible to provide these housing units in a proposed new housing development, the local government shall require the developer to provide such housing, if feasible to do so, at another location within the same city or county, either within the coastal zone or within three miles thereof. In order to assist in providing new housing units, each local government shall offer density bonuses or other incentives, including, but not limited to, modification of zoning and subdivision requirements, accelerated processing of required applications, and the waiver of appropriate fees.<sup>1</sup>

This section of the Housing Element sets forth the City's program for implementing these requirements.

As noted in the code section above, before approving development proposals, the City must require that low- and moderate-income units, where feasible, be provided on or off-site. A third option is to establish an in-lieu fee which would be used to facilitate development of affordable housing. This fee would be levied if the developer demonstrates, to the satisfaction of the City, that affordable housing is not feasible either on or off-site after taking into account economic, environmental, social and technical factors, as stipulated in the Government Code. The in-lieu fee system has the following advantages:

1. Given the small size of the remaining vacant lots, off-site affordable units are likely to be limited in number and unable to take advantage of economies of scale. In-lieu fees can be used for specific affordable housing projects with larger numbers of units.
2. There are few new rental units being developed. On-site affordable units are likely to be for-sale homes. If the City collects in-lieu fees, it can utilize these monies to



encourage the provision of rental housing, which has been identified as the area of greatest need.

3. In-lieu fees can be used to leverage development of affordable units by providing for off-site improvements such as grading, drainage and sewer improvements and landscaping.

**Program Guidelines.** In order to establish a program for affordable housing production, the City must first determine how many low- and moderate-income units it wishes to produce in conjunction with new development. In both the housing guidelines formerly used by the California Coastal Commission and in the State Department of Housing and Community Development's model inclusionary housing ordinance, new housing projects are required to provide 25% of the units for low- and moderate-income households. Given the City's high unmet need for affordable housing, a requirement of 25% can easily be considered reasonable.

Use of the 25% requirement will mean that if housing is provided on- or off-site, one low- or moderate-income unit will need to be provided for every four market-rate units. If in-lieu fees are utilized, one-fourth of the cost of an affordable unit must be subsidized for every market-rate unit or lot in the project.

In order to calculate the fee, City staff analyzed numerous factors involved in developing affordable units and spoke with local realtors and architects. Under State law, there are two types of development costs that the City is able to directly subsidize for the development of affordable housing: land costs and improvement costs. The analysis assumes all affordable housing will be multi-family rather than single-family units because of the cost difference in the types of units.

**Land Costs.** Land costs for multi-family projects in Laguna Beach (usually built at or near the maximum density of 22 units per acre) have been estimated at \$60,000 per unit. For low- and moderate-income units, however, the cost of land per unit can be reduced by increasing the density of the project. If the normal maximum density were doubled to 44 units per acre, the land costs per unit would be cut in half. Based on this, land costs for affordable housing projects would be estimated at \$30,000 per unit. This reduced cost assumption will serve to fulfill the State requirement that local governments offer incentives to the developer (Government Code Section 65590[d]).

---

<sup>1</sup> Article 10.7 also includes explicit requirements for replacing low- and moderate-income housing units that are lost because of the conversion or demolition of housing in the Coastal Zone. These requirements do not apply to the demolition or conversion of structures containing fewer than three dwelling units.

Improvement Costs. Off-site improvement costs for multi-family projects have been estimated at \$5,000 per unit.



The total estimated costs of subsidizing low- and moderate-income housing in Laguna Beach are as follows:

| <u>Cost Component</u>      | <u>Cost per Unit</u> |
|----------------------------|----------------------|
| Land (@ 44 units per acre) | \$30,000             |
| Improvements               | 5,000                |
| <b>TOTAL</b>               | <b>\$35,000</b>      |

The 25% inclusionary requirement, as mentioned earlier, translates into a fee applied to each market-rate unit in a project equal to one-fourth the cost of subsidizing the construction of an affordable unit. Since one-fourth of \$35,000 is \$8,750, the City established an in-lieu fee of \$8,750. This fee is not intended for projects consisting of fewer than three units. Adjustments to this figure are based on Consumer Price Index increases. (Los Angeles/Riverside Index).

During the 1990 Housing Element Update, the in-lieu housing fee was adjusted in accordance with Policy 6-3 of the Housing Element. This policy requires the City to adjust the fee to reflect any inflationary costs, as determined by the Consumer Price Index. As such, the revised in-lieu housing fee (effective August 1, 1990) has been adjusted to \$10,657.

**Current Implementation Progress.** Since the time Article 10.7 became law on January 1, 1982, the City has witnessed a total of 22 new residential subdivision or condominium projects, entailing a total of 1009 lots or units. Of the projects, one was designed to provide 26 condominium units to low- and moderate-income senior citizens and was granted a substantial density bonus by the City as an incentive. Two other projects included the provision of 71 very-low income senior citizens apartments and 15 low and very-low income rental units. Another four projects included fewer than three units each and were not required to provide for low- and moderate-income housing as it was not considered feasible to do so.

One of the remaining projects was a city-owned and initiated project and included the development of over 695 dwelling units. A total of 108 single-family dwellings, 166 attached townhomes and 421 multi-family units were constructed. A portion of these units are required to be provided at an affordable level for a ten year period and then may be sold as condominiums. The City did not pay its own in-lieu housing fee, but rather attempted to provide housing at affordable levels by keeping the cost of construction at a minimum through expediting the building permit process and allowing increased residential densities.

The remaining projects did not include any affordable housing as part of their plans. Consequently, these projects were required to provide for low-and moderate-income housing through the payment of in-lieu fees. As of March 31, 1990, the City had collected \$565,156 from in-lieu housing fees.

Article 10.7 also requires low- and moderate-income housing to be provided as the result of housing demolitions or conversions. Since 1982, a total of 83 units have been authorized for demolition. Only four structures, however, contained the minimum three units needed for replacement housing to be required. Three of these structures were being demolished in conjunction with new development projects for which in-lieu fees were being assessed and met their replacement requirements through this means. The remaining structure included five units and was being demolished in conjunction with a development that also entailed the conversion of two units to condominiums. For the combined loss of seven units, this project was required to pay in-lieu fees of \$59,500.

Some of the in-lieu housing fees have yet to be actually paid to the City. As these fees are accumulated, they will be used to assist in the development of both publicly and privately sponsored affordable housing projects.

## **B. Financing and Cost Reduction Programs**

Participation in Federal, State, and County housing assistance programs expands a local government's ability to provide affordable housing. Several such housing assistance programs exist; unfortunately, many of these programs have limited or no funding. Currently, the City of Laguna Beach is participating in two available housing programs: The federal Section 8 Rental Assistance Program and the County of Orange Bond/Capital Finance Program.

### **1. Section 8 Program**

The Department of Housing and Urban Development (HUD) Section 8 Program provides direct rental subsidies to very low-income renters. In most cases, HUD supplies funds to a local agency, such as the Orange County Housing Authority, which then handles the administration of program implementation. A prospective recipient submits a rental assistance application (including verifiable income information) to the Housing Authority. If income qualifications are met, the applicant must either currently occupy or locate a rental unit that is below a maximum specified rent level. Once all Rental Assistance Program qualifications are met, recipients are required to pay 30% of their income toward rent, with the remaining cost paid by Section 8 funds.

In Laguna Beach, 259 families have rental assistance certificates under the HUD Section 8 program (as of March 30, 1990). Of those, however, 40 families were actually receiving assistance payments.

### **2. County of Orange Housing Revenue Bond Program**

The County of Orange Housing Revenue Bond Program provides funds for low- interest development and construction loans to developers via the sale of tax-free municipal bonds. The Bond Program is actually divided into two sub-programs: multi-family rental developments and single-family for-sale developments. To qualify for loans under this



program, 20% of the units of a multi-family rental development must be made affordable to persons earning 80% or less of the County's median income, while 100% of the single-family units must be affordable to persons earning 120% or less of the County's median income. Additionally, units must be sold to first time buyers and buyers must express an intent to occupy the unit for at least two years.

### C. Manufactured and Modular Housing

Manufactured housing (mobile homes) and modular housing (factory-built housing) offer alternatives to conventionally constructed homes. These two housing types are similar in that both are constructed in a factory and then transported to the building site in one or more sections for assembly. Beyond that similarity, however, basic differences exist between manufactured and modular housing in the areas of construction and installation requirements and in the level of local government control.

#### 1. Manufactured Housing

Manufactured housing is built in a factory to Department of Housing and Urban Development standards, in place of more stringent California Uniform Building Code standards, and is usually promoted as a lower cost housing alternative.

The California State Legislature passed a law in 1981 requiring localities to either allow manufactured housing in all single-family residential zones or designate specific areas in which manufactured housing could be located. This law also states that manufactured housing must be installed on State approved foundations and that local governments must limit architectural review to roof overhangs, roofing and siding material.

The City's high land costs may inhibit future development of this type of housing as a means of affordable housing. Furthermore, most of the City's vacant single family sites are located in hillside areas, where steep terrain and unstable geologic conditions make manufactured housing impractical. The City has adopted a Mobile Home Park Zone in order to ensure the continuation of three existing mobile home parks.

The City recognizes that existing mobile home parks provide a viable housing alternative for the community, especially for low- and moderate income households. As such, the preservation of mobilehomes also assists the City in meeting low and moderate income housing allocation figures established by the State of California. However, with the number of mobilehome parks declining in the Orange County area, residents of existing parks are experiencing increased economic impact. The decrease in mobilehome spaces not only reduced affordable housing alternatives, but encourages higher rents due to the increased demand and limited mobility of these tenants. Therefore, the primary intent of the mobile home zone is to allow existing mobilehomes and associated improvements to be maintained by establishing a zoning district that allows only mobilehome park use. The zone is further supported by State Law which requires the submittal of a relocation

impact report for City approval, setting forth the necessary mitigation measures for any tenant who may be displaced by a mobile home park owner. The City also anticipates adoption of three additional mobilehome related ordinances; an ordinance requiring the right of first refusal, a relocation ordinance and rent stabilization.

## **2. Modular Housing**

Modular housing, like manufactured housing, is built in a factory and assembled in sections at the building site. Unlike manufactured housing, however, modular housing must be installed on a permanent foundation, and must be built to the same California Uniform Building Code standards and subjected to the same local government review and approval process as site-built housing. This type of housing would most likely be appropriate on small lots or as infill in areas that are not fully developed. Constraints, such as unusual site configurations and high land costs, may serve to limit the use of such housing in the City.

## **III. Goals**

1. Housing that is sufficiently diversified in costs to meet the affordability needs of all Laguna Beach households.
2. Housing that is sufficiently diversified in size, type and tenure to meet the housing needs of all households.

## **IV. POLICIES**

1. Require that 25% of new residential units or lots be for low- or moderate- income housing. An in-lieu fee can be substituted if the subdivider demonstrates on or off-site housing is infeasible as defined by Government Code Section 65590. This requirement will be applied to subdivision and condominium projects involving three or more lots or units.
2. Prohibit residential condominium conversions and new residential condominiums on sites previously occupied by rental housing unless an equal number of rental units are provided. Under no circumstances shall a conversion be allowed that does not comply with existing development standards.
3. Seek acquisition of suitable sites for low- and moderate-income housing projects.
4. Pursue CDBG or other government funding to subsidize design and improvement costs for low- and moderate-income housing projects.
5. Require continued affordability provisions for low- and moderate-income units constructed as a result of City housing regulations.



6. Encourage the participation and financial commitment of the private sector in meeting the housing needs of the City.
7. Encourage the production of privately-sponsored low- and moderate-income housing projects.
8. Encourage increased public awareness and understanding of the City's housing needs.
9. Encourage the preservation of existing sound low- and moderate-income housing.
10. Encourage the preservation and expansion of rental housing opportunities in the City.
11. Encourage increased participation of owners of multiple-family units in the Section 8 Rent Subsidy Program.
12. Encourage preservation of mobile homes as alternative housing.

#### V. PROGRAMS

1. ACTION: Reevaluate City development standards to facilitate residential uses in the C-1 Zone along Pacific Coast Highway. Emphasis will be directed toward locating residential uses above the ground floor.

Anticipated Impact: Potential creation of additional housing development opportunities.

Responsible Agency: Department of Community Development, Planning Division.

Financing: Department budget and Local Coastal Plan State Grant monies.

Time Frame: Conduct evaluation and modify development standards by 1991.

---

2. ACTION: Encourage mixed use development in the Local Business/Professional Zone and CN Zone.

Anticipated Impact: Creation of new housing opportunities.

Responsible Agency: Department of Community Development, Planning Division.

Financing: None required.

Time Frame: Continuous.

---

3. ACTION: Within the CBD-3 and the CDB Office Districts of the

Downtown Specific Plan Area, encourage mixed use development and other innovative techniques for creating additional housing opportunities.

Anticipated Impact: Potential creation of additional housing opportunities.

Responsible Agency: Department of Community Development, Planning Division.

Financing: None.

Time Frame: Continuous.

---

4. **ACTION:** As a possible alternative to condominium conversions as stipulated in the Land Use Element, investigate the feasibility of permitting "condoplexes" under certain circumstances. Under this concept, the majority of the units in an apartment complex are allowed to convert to condominium units and the remaining units are permanently set aside as low-rent housing for senior citizens or families.

Anticipated Impact: Under the "condoplex" concept, loss of higher-cost rental units will be accepted in exchange for the creation of a lesser number of low-cost rental units.

Responsible Agency: Department of Community Development, Planning Division.

Financing: Department budget.

Time Frame: Evaluate and make recommendations regarding condominium conversions by 1992.

---

5. **ACTION:** Encourage artists joint living and working quarters in commercial and industrial zones.

Anticipated Impact: Potential creation of lower-cost housing/studio opportunities for artists.

Responsible Agency: Department of Community Development, Planning Division .

Financing: None required.

Time Frame: Continuous.

---

6. **ACTION:** As a means to provide for the production of low- and moderate- income housing in compliance with Government Code Section 65590, maintain the 25% inclusionary housing requirement.

(This requirement will not be applied to projects involving fewer than three units or lots.) This may be fulfilled by:

- a. Directly providing low- and moderate-income housing units, equivalent to 25% of the lots or units in the project, either on-site or at another site in the City of Laguna Beach.
- b. Requiring new residential development of three or more lots or units to pay an in-lieu fee of \$10,657 for each unit or lot in the project. This fee will be adjusted at the beginning of every two calendar years to reflect any inflationary costs per the United States Department of Labor Consumer Price Index.
- c. Through another means acceptable to the City, such as the dedication of land.

Anticipated Impact: Commitment of in-lieu housing fees to the City.

Responsible Agency: Department of Community Development, Planning Division.

Financing: Fees imposed upon new subdivisions.

Time Frame: Continuous.

- 
7. **ACTION:** Maintain the City's "Low- and Moderate-Income Housing Fund" using all collected in-lieu housing fees. Funds may be expended for any costs directly related to producing low- and moderate-income housing in the City of Laguna Beach (except direct construction by the City), including the following:

- a. Site improvements and infrastructure facilities.
- b. Acquiring suitable sites or writing down land costs for sites.
- c. Planning and engineering services.
- d. Grants.
- e. Other costs such as subsidies as deemed appropriate.

Anticipated Impact: Production of an estimated 35 to 50 low- and moderate-income housing units over a five-year time frame.

Responsible Agency: Department of Community Development, Planning Division.

Financing: Housing in-lieu fees.

Time Frame: Continuous.

8. **ACTION:** Investigate the potential of subsidy programs.

Anticipated Impact: Potential new source of financing for affordable housing opportunities.

Responsible Agency: Department of Community Development, Planning Division.

Financing: City of Laguna Beach.

Time Frame: 1991.

---

9. **ACTION:** Pursue acquisition of suitable sites for low- and moderate-income housing and encourage joint venture development with the private-sector.

Anticipated Impact: Acquisition of one to five sites, depending upon availability.

Responsible Agency: City of Laguna Beach.

Financing: Housing in-lieu fees.

Time Frame: Continuous.

---

10. **ACTION:** Give priority consideration to the use of appropriately zoned, surplus City-owned land as sites for low- and moderate-income housing.

Anticipated Impact: Expansion of the potential use of available land resources for low- and moderate-income housing. Possible provisions of low- and moderate-income housing sites without expenditure of funds for land acquisition.

Responsible Agency: City of Laguna Beach.

Financing: N/A

Time Frame: Consideration of City-owned property will be on an on-going basis. Actual selection and use will be dependent upon the relative suitability of City-owned property in comparison to other potential sites.

---

11. **ACTION:** Pursue CDBG funding for eligible low- and moderate-income housing design costs and site improvement costs.

Anticipated Impact: Enhancement of the economic feasibility of potential low- and moderate-income housing projects.

Responsible Agency: Department of Community Development, Planning Division.



Financing: CDBG funds.

Time Frame: Continuous and as appropriate circumstances arise.

---

12. **ACTION:** Provide incentive programs such as reduced fees, reduced parking requirements, density bonuses and in-lieu housing fee contributions for the development of permanent low- and moderate-income housing projects that are privately sponsored. Emphasize the establishment of new Section 8 units through the program.

Anticipated Impact: Estimated development of approximately 50 to 75 low-and moderate-income housing units.

Responsible Agency: Department of Community Development, Planning Division.

Financing: Department budget.

Time Frame: Continuous.

---

13. **ACTION:** As part of the approval process for privately-sponsored low- and moderate-income housing projects, impose adequate requirements to assure that units will continue to be priced at intended levels and that occupancy restrictions related to income and age will continue to be observed. It may include a condition of approval that identifies a monitoring agency who will be responsible for the implementation of affordable rents.

Anticipated Impact: Assurance that privately produced low- and moderate-income housing will continue to remain affordable and occupied by intended types of households.

Responsible Agency: Department of Community Development, Planning Division, City Attorney.

Financing: Department budget.

Time Frame: Continuous.

---

14. **ACTION:** Solicit involvement with the Laguna Board of Realtors at Housing Committee meetings and periodically inform real estate organizations of the City's need for low-and moderate-income housing sites and the incentive programs available to encourage creation of such housing.

Anticipated Impact: Increased awareness of affordable housing needs by those individuals working in the real estate profession.

Responsible Agency: Housing Committee/Laguna Board of Realtors.

Financing: None.

Time Frame: Continuous.

---

15. ACTION: Maintain the responsibility of the City Housing Committee to annually review progress in implementation of Housing Element policies and programs, and report findings and recommendations to the City Council.

Anticipated Impact: Increased public awareness of on-going community housing needs and how successful the City has been in addressing them.

Responsible Agency: Housing Committee and Planning Commission.

Financing: None.

Time Frame: July 1, 1989-1994.

---

16. ACTION: Appoint members to the Housing Committee with expertise in economic development to assist developers in obtaining low-interest financing using tax exempt bonds for multi-family and/or single-family units.

Anticipated Impact: Enhancement of development opportunities for new rental housing in Laguna Beach.

Responsible Agency: City of Laguna Beach: County of Orange.

Financing: Tax exempt revenue bonds.

Time Frame: Continuous.

---

17. ACTION: Provide information to landlords regarding participation in the Section 8 rent subsidy program and low-interest rehab loans.

Anticipated Impact: Potential increase in the availability of rental units in Laguna Beach for participants in the Section 8 program and the County's low-interest rehab loan program.

Responsible Agency. Department of Community Development, Planning Division; Department of Finance.

Financing: Department budget.

Time Frame: Continuous.

---

18. **ACTION:** Preserve existing mobile home parks as an alternative form of housing through application of the City's Mobile Home Zone and other implementing ordinances.

**Anticipated Impact:** Preservation of 421 alternative housing opportunities.

**Responsible Agency:** City of Laguna Beach.

**Financing:** N/A

**Time Frame:** Continuous.

---

19. **ACTION:** Encourage the preservation and creation of neighborhoods currently providing low- and moderate-income housing through flexible zoning provisions such as second units and mixed use developments.

**Anticipated Impact:** Maintenance of existing low- and moderate-income housing opportunities.

**Responsible Agency:** City of Laguna Beach.

**Financing:** N/A

**Time Frame:** Continuous.

---

20. **ACTION:** Grant incentives for the provision of senior housing through "Granny Units" when found to comply with the City's Second Unit Ordinance.

**Anticipated Impact:** Increased affordable housing opportunities for the elderly.

**Responsible Agency:** Department of Community Development, Planning Division.

**Financing:** N/A

**Time Frame:** Continuous.

---

## **PART 2: HOUSING ACCESSIBILITY AND SPECIAL NEEDS**

### **I. INTRODUCTION**

This topic deals with two separate issues that relate to assuring that housing is available to all of the City's households. Specifically addressed are fair housing practices and special household needs of the community.

### **II. ISSUE STATEMENT**

#### **A. Fair Housing**

The basic goal of fair housing is to assure that no persons or families are subjected to unfair or discriminatory practices in the rental, leasing, sale or financing of housing. An additional consideration is prevention of unfair treatment of tenants by landlords with respect to rent increases, evictions and unresponsiveness to poor housing conditions.

Many people are unaware of legal protections (the State Health and Safety Code makes several types of discriminatory housing acts illegal) or they are in need of help to resolve disputes with landlords. The agency that provides services in the City in response to these needs is the Orange County Fair Housing Council. As a non-profit community service organization, the Fair Housing Council investigates complaints of housing discrimination and offers counseling and arbitration in landlord-tenant disputes. In fiscal year 88/89, the Fair Housing Council handled 610 complaints in the



City of Laguna Beach.

One basis of housing discrimination that is not covered under State or Federal law is sexual orientation. The City, however, adopted an ordinance in May 1984 which prohibits discriminatory housing practices on the basis of sexual orientation. This ordinance provides Laguna Beach residents with an additional mechanism of protection against housing discrimination.

#### **B. Special Needs**

Populations with special housing needs include: (1) handicapped persons; (2) families with female heads of household; (3) large families; (4) farmworkers; (5) elderly persons; (6) minorities; (7) persons seeking emergency shelter.

As discussed in Section III, the first four types of households are not found in large numbers in Laguna Beach. Nonetheless, it is still appropriate for the City's housing program to make some provision for them.

The housing needs of elderly households are considered to be relatively high. This has been an issue of considerable community concern for many years. The extent of the City's senior citizen housing needs are evident in the number of elderly households that overpay for housing (pay more than 30% of their gross monthly income). In 1979, nearly half (947 out of 1,990) of all elderly households (age 62 and over) overpaid for housing, and well over half (833 out of 1,469) of all low- and moderate-income elderly households overpaid. The level of housing need is even greater for elderly rental households. In 1979, 70% (422 out of 605) of these households overpaid for housing.

One of the likely reasons that such large proportions of elderly households overpay for housing is that many, if not most, elderly households are on fixed incomes that have not kept pace with sharp increases in local housing costs. This may be a contributing factor to recent declines in the elderly population of Laguna Beach. Between 1970 and 1980, the number of persons age 62 and over in Laguna Beach fell from 3,128 to 2,879 - a decline of 8%. In addition, the 62 and over age group fell from comprising 21.5% of the City's population in 1970 to 16.1% in 1980. By contrast, Orange County experienced a 66% increase in its elderly population over the same time span, with the elderly population percentage rising from 8.4% to 10.3%.

#### **III. GOALS**

1. Housing that is available to all segments of the community, regardless of race, color, ancestry, national origin, marital status, family size or composition, age, sex, sexual orientation or physical disability. The City has identified senior citizens as having a high priority.
2. Sufficient, sound and affordably priced housing to meet the

needs of the City's senior citizens.

3. Fulfillment of other special housing needs, including the handicapped and families with female heads of household.

#### IV. POLICIES

1. Promote non-discriminatory housing practices in the City of Laguna Beach.
2. Give priority to the needs of senior citizen households in the City's efforts to provide new low- and moderate-income housing opportunities.
3. Support and encourage programs intended to assist in providing for the housing needs of senior citizens.
4. Promote increased awareness of senior citizens regarding the availability of housing programs.
5. Assess the particular housing problems of the City's senior citizens and possible means to address them.
6. Promote provision of housing that meets the physical needs of the handicapped.

#### V. PROGRAMS

1. **ACTION:** As a participating city in the Orange County Community Development Block Grant (CDBG) program, support that program's annual contribution of CDBG funds to the Orange County Fair Housing Council.

Anticipated Impact: Continued provision of fair housing services to residents of Laguna Beach.

Responsible Agency: City of Laguna Beach.

Financing: CDBG Funds.

---

2. **ACTION:** City staff, when contacted, will refer people to the Orange County Fair Housing Council (OCFHC).

Anticipated Impact: Users of OCFHC services will be provided with information and advice concerning rent increases, deposit returns, evictions and substandard housing conditions. Other services include landlord-tenant dispute arbitration and housing assistance counseling and investigation of housing discrimination cases.

Responsible Agency: Orange County Fair Housing Council.

Financing: CDBG funds and other sources.

Time Frame: Continuous.

---

3. **ACTION:** Inform housing agencies (such as the Orange County Housing Authority, the Orange County Fair Housing Council and the Orange County Department of Housing and Community Development) of the City's Sexual Orientation Discrimination Ordinance which includes provisions against discriminatory housing practices on the basis of sexual orientation.

Anticipated Impact: Housing agencies (listed above) will be able to inform Laguna Beach residents of special protections afforded them under this ordinance.

Responsible Agency: Department of Community Development, Planning Division.

Financing: Department budget.

Time Frame: Notify agencies annually.

---

4. **ACTION:** As deemed appropriate to fulfill senior citizen housing needs, specifically designate all or part of the units in City-sponsored low-and moderate-income housing projects for occupancy by senior citizens.

Anticipated Impact: Provision of an estimated 25 to 50 low- and moderate-income housing units for senior citizens over a five-year time frame.

Responsible Agency: City of Laguna Beach.

Financing: N/A

Time Frame: Continuous, as low- and moderate-income housing projects are proposed.

---

5. **ACTION:** Where appropriate, ensure that selection of affordable housing sites includes adequate consideration to the needs of senior citizens, such as proximity to services and public transportation.

Anticipated Impact: Low- and moderate-income housing projects that provide for the physical housing needs of senior citizens to the maximum extent feasible.

Responsible Agency: City of Laguna Beach.

Financing. N/A



Time Frame. Continuous, as potential low- and moderate-income housing sites are considered.

---

6. **ACTION:** Give priority in granting public incentives to low-and moderate-income housing projects that are designed for senior citizens. Highest priority should be given to those projects that offer congregate care where supervision, meals and nursing services are available. Potential incentives include density bonuses, improvement cost write-downs, reduced or waived fees and relaxation of zoning standards.

Anticipated Impact: Enhanced opportunities for the development of senior citizen low- and moderate-income housing.

Responsible Agency: City of Laguna Beach.

Financing: N/A

Time Frame: Continuous, as privately-sponsored low- and moderate-income housing projects are proposed.

---

7. **ACTION:** In conjunction with the Senior Citizens Club of Laguna Beach, disseminate information and take other actions to make senior citizens more aware of available housing assistance programs.

Anticipated Impact: Increased senior citizen participation in housing assistance programs with associated fulfillment of housing provision and affordability needs.

Responsible Agency: Department of Community Development, Planning Division: Senior Citizens Club of Laguna Beach.

Financing: Department budget.

Time Frame: Continuous.

---

8. **ACTION:** Establish an annual meeting of the City Housing and Human Affairs Committees to jointly assess the standing of all special need households. Findings and recommendations will be reported to the City Council.

Anticipated Impact: Increased knowledge and understanding of senior citizen housing needs and possible means to address them.

Responsible Agency: Housing Committee and Human Affairs Committee.

Financing: N/A

Time Frame: Annually, 1990-1995.



9. **ACTION:** Require a portion of all new low- and moderate-income housing units (both publicly- and privately-sponsored) to be physically accessible to the handicapped.

**Anticipated Impact:** Provision of an estimated four to five housing units for the handicapped over a five-year time frame.

**Responsible Agency:** Department of Community Development.

**Financing:** Department budget.

**Time Frame:** Continuous.

---

10. **ACTION:** Encourage private sponsors to provide shelters for the homeless by identifying possible development sites and granting incentives such as design flexibility, parking reductions and permit fee waivers. Promote the use of the Building Industry Association's Home Aid Program, the McKinney Emergency Shelter Act and other Federal, State and County financing programs as possible funding sources.

**Anticipated Impact:** Provision of at least one new shelter for the homeless within the next five years.

**Responsible Agency:** City of Laguna Beach and Private Sector.

**Financing:** City of Laguna Beach, County of Orange, State of California, the Federal Government and the private sector.

**Time Frame:** 1990-1995.

---

11. **ACTION:** Investigate the feasibility of Single Room Occupancy Hotels as an alternative means of affordable housing.

**Anticipated Impact:** Development of a Single Room Occupancy Ordinance.

**Responsible Agency:** City of Laguna Beach.

**Financing:** Department Budget.

**Time Frame:** Investigation and recommendation of the use by 1991.

---

12. **ACTION:** Support programs that coordinate rental sharing for senior citizens and other special needs households.

**Anticipated Impact:** Establishment of a community based rental referral service for senior citizens.

Responsible Agency: Housing Committee and Human Affairs Committee.

Financing: None.

Time Frame: Continuous.

---

13. **ACTION:** Support existing shelters for those individuals with special needs.

Anticipated Impact: Maintenance of existing facilities which provide for special needs.

Responsible Agency: City of Laguna Beach.

Financing: None

Time Frame: Continuous.

### **PART 3: HOUSING IMPROVEMENTS AND MAINTENANCE**

#### **I. INTRODUCTION**

The quality of housing is an essential component of the City's housing program. This topical area covers two basic components. The first is the structural soundness of the City's housing units, which is necessary to provide for the health and safety of the inhabitants. The second component is related to the visual appearance and aesthetics of housing. This is instrumental in providing residents with a pleasant environment in which to live.

In Laguna Beach, issues related to this topic take on added significance because much of the City's housing stock is older and in potential need of improvement and maintenance activities. Further, all of the City's residential neighborhoods have developed their own specific aesthetic character and form, making this aspect of housing quality particularly important.

#### **II. ISSUE STATEMENT**

##### **A. Housing Quality**

As discussed in Section III, the need for upgrading housing conditions in Laguna Beach is relatively high. According to the 1980 census, there was an estimated total of 726 substandard housing units in Laguna Beach. Of these, 548 were considered to be in need of rehabilitation and 178 units were considered to be in need of replacement.

The State Uniform Housing Code (UHC) requires substandard housing conditions to be abated by means of repair, rehabilitation, demolition

or removal. The City is committed to upholding UHC regulations; however, it lacks the staff and funding resources necessary to conduct a concentrated code enforcement program. Therefore, the City's primary strategy for helping to upgrade housing quality will be to: (1) act upon registered complaints; (2) encourage voluntary compliance by increasing awareness of housing standards; and, (3) provide financial assistance.

#### **B. Historic Preservation**

Laguna Beach, whose development began in the early 1900's, is a relatively old community by Orange County standards. According to the 1980 census, of the City's housing stock, 2,192 homes (approximately 25% of the total) were built before 1940. These older homes were designed and built under a variety of architectural styles, resulting in a rich architectural heritage that greatly contributes to the City's image, identity, and appeal. Historic preservation, therefore, has become an issue of particular local interest. As an outgrowth of this interest, a special Historic Preservation Program has been initiated by the City.

The City adopted a Historic Preservation Ordinance in September of 1989 which encourages people to preserve the character of historic homes when they add on, remodel or renovate existing historic structures. The ordinance is designed to offer parking reductions, building setback flexibility, building permit fee waivers, density bonuses and adaptive reuse incentives. These provisions encourage property owners to preserve and maintain their structures rather than demolish them to build larger, more expensive homes.

#### **C. Neighborhood Preservation**

Development of the City's residential areas has occurred over many time periods and in different physical settings. As a result, each of the City's neighborhoods has developed its own style and scale of development and its own particular type of streetscape. Consequently, the preservation and maintenance of neighborhood character is an issue of considerable local significance.

The City's primary mechanism for ensuring protection of neighborhood character is the required discretionary approval of all new residential structures (and major additions to existing structures) by the City's Design Review Board.

#### **D. Energy Conservation**

The significance of energy costs as a component of housing cost has drastically increased. As discussed in the Energy Conservation Opportunities section of this document, it is generally the older homes which are considered to be the least energy efficient. City promotion of existing energy efficient retrofitting programs will help to inform homeowners of the cost savings benefits of energy conservation. Continued strict enforcement of energy conservation building standards will ensure reduced energy cost for new houses.



### III. GOALS

1. Safe and sanitary housing for all residents of the City.
2. Preservation of the architectural integrity of historically significant homes.
3. Preservation of desirable and satisfying residential living environments in all areas of the City.
4. Preservation of the special character of the City's individual neighborhoods.
5. Housing with improved energy efficiency.

### IV. POLICIES

1. Encourage adequate maintenance and repair of sound housing units.
2. Encourage rehabilitation of unsound and deteriorated housing units.
3. Encourage the preservation and rehabilitation of historically significant homes.
4. Encourage preservation of the original architectural integrity of historically significant homes.
5. Pursue the establishment of financial assistance and incentives for housing rehabilitation and historic preservation, with a particular emphasis on assisting low- and moderate-income households.
6. Promote public awareness of available rehabilitation assistance programs.
7. Promote adaptive reuse of vacant buildings for housing.
8. Encourage demolition and replacement of substandard and dilapidated housing units that cannot be feasibly rehabilitated.
9. Increase public awareness of residential building regulations and standards.
10. Recognize the special character and quality of individual residential neighborhoods in the City and attempt to provide for their continued maintenance.
11. Ensure that new housing will be aesthetically compatible with the surrounding environment and consistent with the size, scale and character of development in the neighborhood in which it is located.



12. Ensure that new housing units are constructed in an energy efficient manner.
13. Require the use of energy conservation measures in the construction of low- and moderate-income housing projects, where feasible.
14. Encourage the use of solar energy, where feasible.
15. Encourage the use of solar design techniques in new subdivisions, where feasible.
16. Attempt to increase public awareness of housing cost savings available through energy conservation.

## V. PROGRAMS

1. Action: Actively pursue CDBG funding for housing rehabilitation.

Anticipated Impact: Rehabilitation of approximately five to ten housing units (owned by persons of low- and moderate-income) per year.

Responsible Agency: Department of Community Development, Planning Division, County of Orange, Housing and Community Development Program Office.

Financing: CDBG funds.

Time Frame: Continuous.

---

2. Action: Pursue funding for historic preservation activities either as a component of the City's housing rehabilitation program, or as a separate project. Give priority assistance to historic home projects which are occupied by low- and moderate-income households.

Anticipated Impact: Rehabilitation of at least one historically significant home in an architecturally compatible manner per year.

Responsible Agency: Department of Community Development, Planning Division; County of Orange, Housing and Community Development Program Office, Heritage Committee.

Financing: State of California, County of Orange, City of Laguna Beach.

Time Frame: Continuous.

---

3. Action: Encourage participation in the City's Historic Preservation Program by publishing periodic press releases

and other implementing marketing techniques.

Anticipated Impact: Assured preservation of historically significant homes in an architecturally consistent manner.

Responsible Agency: Department of Community Development, Planning and Zoning Divisions, Heritage Committee.

Financing: Department budget.

Time Frame: Continuous.

---

4. **Action:** Disseminate information to the public regarding rehabilitation standards, preventative housing maintenance and energy conservation.

Anticipated Impact: Increase in privately financed housing maintenance and rehabilitation activities. Higher level of voluntary conformance with building code standards. Increase in energy conservation retrofitting and other energy conservation practices.

Responsible Agency: Department of Community Development, Building Division.

Funding: Department budget.

Time Frame: Continuous.

---

5. **Action:** Require publicly sponsored low- and moderate-income housing projects to consider the technical and economic feasibility of employing additional energy conservation measures in the design and construction of the project. Possible measures include solar energy systems and solar design techniques.

Anticipated Impact: Decrease in energy costs for low- and moderate-income residents.

Responsible Agency: Department of Community Development, Planning Division, Design Review Board, Planning Commission.

Financing: Department budget.

Time Frame: Continuous.

---

6. **Action:** Encourage new subdivisions to assess the feasibility of solar oriented lot design and configuration and require such techniques to be employed where they will not conflict with other physical, environmental and aesthetic design considerations.

Anticipated Impact: Improved solar orientation efficiency in new

subdivisions.

Responsible Agency: Department of Community Development, Planning Division, Design Review Board, Planning Commission.

Financing: Department budget.

Time Frame: Continuous.

---

7. Action: Develop guidelines to encourage passive energy systems and other energy conservation techniques in architectural and subdivision design.

Anticipated Impact: Increased energy efficiency in new development.

Responsible Agency: City of Laguna Beach, Community Development Department, Design Review Board, Planning Commission.

Financing: Department Budget.

Time Frame: Continuous.

#### **PART 4: EXISTING AND PROJECTED NEEDS AND QUANTIFIED OBJECTIVES**

An important State-mandated component of the Housing Element is a statement of "quantified objectives." In other words, what amount of housing for various income levels is the City striving to achieve with its policies; also, what numbers of replacement and rehabilitated housing are envisioned?

To establish these numbers, the City must first analyze both existing and projected housing needs. State law requires that a five-year time frame be used in developing quantified housing objectives, and recognizes that these objectives "need not be identical to existing needs." They must, however, establish the maximum number of units that can be constructed, rehabilitated and conserved during the five-year period.

Existing needs are established by utilizing 1980 census data and have been indicated in Section III. Projected needs must, by State law, be developed by a region's council of governments (SCAG). The existing and projected housing needs are then translated into quantified objectives which represent the number of housing units anticipated to be developed, rehabilitated and replaced as a result of Housing Element programs and development activity.

##### **1. SUMMARY OF EXISTING NEEDS**

**Housing Development Needs.** The Southern California Association of Governments (SCAG) defines current, or existing housing needs (for housing development) as the number of very low and low-income



households that pay 30% or more of their gross income for housing. In Laguna Beach, though, extremely high land costs make it difficult for moderate income as well as lower income households. Because of this, moderate income household that currently overpay for housing should also be included as part of the City's overall existing housing needs. Moderate-income households will be added to estimates of existing housing needs when 1990 Census data is available.

Based on the preceding criteria, SCAG estimates that the City's overall housing needs for existing households is 2,219 units, which represents the total number of very low, low- and moderate-income overpaying households. Since existing need estimates usually represent a sizable portion of a community's total households, it is unrealistic to expect that the total amount of the existing need can be fulfilled within the short-term time frame of the Housing Element. In light of this, and based on the averaging of previous building activity, providing for 3% of the identified need per year represents reasonable progress toward fulfillment of the total need. Based on this 3% annual goal, the existing housing needs for the five-year time frame of the Housing Element is calculated at 15% of the total need. Consequently, the City's five-year existing housing need is estimated at a total of 331 units. The following tables break down the existing need estimates by income categories and tenure.

**TABLE 5-1**

**TOTAL EXISTING HOUSING NEEDS FOR HOUSING DEVELOPMENT\***

| <u>Income Category</u> | <u>Renter-Occupied<br/>Units</u> | <u>Owner-Occupied<br/>Units</u> | <u>Total</u> |
|------------------------|----------------------------------|---------------------------------|--------------|
| Very Low               | 1,116                            | 217                             | 1,333        |
| Low                    | 735                              | 151                             | 886          |
| <b>Total</b>           | <b>1,851</b>                     | <b>368</b>                      | <b>2,219</b> |

**TABLE 5-2**

**FIVE-YEAR EXISTING HOUSING NEEDS  
FOR HOUSING DEVELOPMENT (1989-1994)**

| <u>Income Category</u> | <u>Renter-Occupied<br/>Units</u> | <u>Owner-Occupied<br/>Units</u> | <u>Total</u> |
|------------------------|----------------------------------|---------------------------------|--------------|
| Very Low               | 167                              | 32                              | 199          |
| Low                    | 110                              | 22                              | 132          |
| <b>Total</b>           | <b>277</b>                       | <b>54</b>                       | <b>331</b>   |



**Housing Rehabilitation and Replacement Needs.** Table 5-3 indicates that there is an estimated total of 580 units suitable for rehabilitation in Laguna Beach, and 205 units in need of replacement. The rehabilitation and replacement needs for the five-year time frame of the Housing Element are also calculated at 15% of the total need. Rehabilitation estimates have been adjusted to reflect an average of 10 CDBG rehab loans issued each year between 1984 and 1990.

**TABLE 5-3 HOUSING REHABILITATION AND REPLACEMENT NEEDS\***

|                      | <u>Total Need</u> | <u>Five Year Need 1989-1994</u> |
|----------------------|-------------------|---------------------------------|
| Rehabilitation Needs | 580               | 87                              |
| Replacement Needs    | 205               | 30                              |

\* Figures provided by SCAG Regional Housing Needs Assessment 1988-89.

## **2. PROJECTED HOUSING NEEDS**

A local jurisdiction is required by State Law to consider regional housing needs. It is important to note that the State recognizes that it may not be feasible to accommodate the prescribed allocation in all cases. According to the Regional Housing Needs Assessment (RHNA) prepared by the Southern California Association of Governments (SCAG), there is a projected regional need for additional units in Laguna Beach as follows;

### **PROJECTED REGIONAL DEMAND IN LAGUNA BEACH**

**1989-1994**

| <u>Household Growth</u> | <u>Net Vacancy Adjustment</u> | <u>Demolition Adjustment</u> | <u>Total New Units</u> |
|-------------------------|-------------------------------|------------------------------|------------------------|
| 284                     | 50                            | 55                           | 389                    |

### **TOTAL NEW UNITS DISTRIBUTED BY INCOME**

| <u>Very Low</u> | <u>Low</u> | <u>Moderate</u> | <u>High</u> | <u>Total</u> |
|-----------------|------------|-----------------|-------------|--------------|
| 62              | 104        | 70              | 153         | 389          |

SCAG estimates the City's share of the five-year regional household growth at 389.

### **3. SUMMARY OF QUANTIFIED OBJECTIVES**

This section summarizes the City's objectives for the five-year time frame from 1989 to 1994. A separate set of objectives is provided for housing anticipated to be developed, rehabilitated, replaced and conserved as a result of Housing Element programs and development activity. It is important to note that the quoted unit numbers are projected estimates only. Because of General Plan requirements of State Law, and the constraints identified in this Housing Element, it is not physically, environmentally or fiscally possible for the City of Laguna Beach to satisfy all of the identified housing needs. The Quantified Objectives herein represent the most diligent good faith effort which the City of Laguna Beach considers possible. The actual number of units that will be generated will depend upon funding availability, development opportunities, economic conditions and other related circumstances.

**TABLE 5-5**

**QUANTIFIED OBJECTIVES FOR HOUSING DEVELOPMENT (1989-1994)**

| <b>Housing Element Programs</b>                                 | <b>Very Low<br/>Income<br/>Units(3)</b> | <b>Low<br/>Income<br/>Units(4)</b> | <b>Moderate<br/>Income<br/>Units(5)</b> | <b>Upper<br/>Income<br/>Units(6)</b> | <b>Total<br/>Units</b> |
|---|---|------------------------------------|---|--------------------------------------|------------------------|
| Privately Sponsored Low-and Moderate-Income Housing Projects    | 20                                      | 30                                 | 45                                      | 0                                    | 95                     |
| Mixed Use Development Project                                   | 0                                       | 15                                 | 25                                      | 10                                   | 50                     |
| Live/Work Development Projects                                  | 0                                       | 30                                 | 5                                       | 0                                    | 35                     |
| Establishment of New Section 8 Units <sup>(7)</sup>             | 10                                      | 0                                  | 0                                       | 0                                    | 0                      |
| <b>Sub-Total</b>  | <b>30</b>                               | <b>75</b>                          | <b>75</b>                               | <b>10</b>                            | <b>180</b>             |
| <b><u>Development Exclusive of Housing Element Programs</u></b> |   |                                    |   |                                      |                        |
| Private Development   | ---                                     | ---                                | ---                                     | 250                                  | 250                    |
| <b>Sub-Total</b>  | <b>---</b>                              | <b>---</b>                         | <b>---</b>                              | <b>250</b>                           | <b>250</b>             |
| <b>TOTAL</b>  | <b>30</b>                               | <b>75</b>                          | <b>75</b>                               | <b>260</b>                           | <b>430</b>             |
| <b><u>Summary of Five-Year Needs</u></b>                        |   |                                    |   |                                      |                        |
| Future Needs  | 62                                      | 104                                | 70                                      | 170                                  | 389                    |
| Existing Needs  | 199                                     | 132                                | N\A                                     | N\A                                  | 331                    |
| <b>Total Needs</b>  | <b>261</b>                              | <b>236</b>                         | <b>70</b>                               | <b>170</b>                           | <b>761</b>             |
| Percentage of Need Anticipated to Be Fulfilled                  | 12%                                     | 32%                                | 108%                                    | 153%                                 | 57%                    |

<sup>3</sup> 0-50% of County median income

<sup>4</sup> 50+ - 80% of County median income

<sup>5</sup> 80+ - 120% of County median income

<sup>6</sup> 120+% of County median income

<sup>7</sup> Establishment of new Section 8 units from the existing housing stock will serve to create additional very low income units, but will not add to the overall housing stock. Consequently, these units are not included under the "Total Units" column.

The City should be reasonably successful in fulfilling most of its five-year needs for overall housing development. One notable deficiency exists with respect to the housing needs of very low-income

households: only 12% of the five-year need is anticipated to be fulfilled. The basic reasons for this stem from the relatively high level of need for affordable housing among very low-income households and the difficulty of developing new low cost housing (which is compounded locally by exceptionally high land costs and a shortage of available building sites).

**TABLE 5-6**

**QUANTIFIED OBJECTIVES FOR HOUSING REHABILITATION (1989-1994)**

| <u>Programs</u>                                | <u>Units</u> |
|--|--------------|
| CDBG Home Improvement Program                  | 50           |
| Privately-Financed Rehabilitation              | 45           |
| TOTAL  | 95           |
| Five-Year Need                                 | 87           |
| Percentage of Need Anticipated to be Fulfilled | 102%         |

The City's most significant housing rehabilitation program will continue to be the CDBG Home Improvement Program. This program provides financial assistance for the rehabilitation of owner-occupied single-family homes, rental housing units and mobile homes. The remaining housing rehabilitation activity will occur as a result of private financing. Through the combination of the Home Improvement Program and privately financed rehabilitation, it is anticipated that all of the City's five-year housing rehabilitation needs will be fulfilled.

**TABLE 5-7**

**QUANTIFIED OBJECTIVES FOR HOUSING REPLACEMENT (1989-1994)**

| <u>Programs</u>                                | <u>Units</u> |
|--|--------------|
| Privately-Financed Replacement                 | 10           |
| TOTAL  | 10           |
| Five-Year Need                                 | 30           |
| Percentage of Need Anticipated to be Fulfilled | 35%          |

Housing replacement objectives involve the demolition and replacement of housing units that are dilapidated to the extent that it is no longer economically feasible to repair them. Future housing replacement activities in Laguna Beach are expected to entail private financing. The anticipated replacement of 10 dilapidated housing units will fulfill 35% of the City's five-year housing replacement needs.



TABLE 5-8

QUANTIFIED OBJECTIVES FOR HOUSING CONSERVATION (1989-1994)

| Programs                                      | Units      |
|---|------------|
| Condominium Conversion Regulations            | 30         |
| Coastal Zone Replacement Housing Requirements | 15         |
| Historic Preservation Ordinance               | 100        |
| Mobile Home Zone                              | 421        |
| <b>TOTAL</b>                                  | <b>566</b> |

Housing conservation pertains to preservation of the existing housing stock. Included in Table 5-8 are programs that should help to encourage preservation of segments of the City's housing stock.

The first two programs (condominium conversion regulations and replacement housing requirements) can encourage preservation by imposing regulations that make housing demolition a less attractive alternative. The Historic Preservation Ordinance provides generous zoning incentives for the preservation of historic homes that might otherwise be considered for demolition. The Mobile Home Zone provides protection from commercial or other uses at three mobile home parks.

**SECTION VI: ENVIRONMENTAL IMPACT REPORT**



## SECTION VI: ENVIRONMENTAL IMPACT REPORT

### 1. INTRODUCTION

The California Environmental Quality Act (CEQA) (Section 15120) indicates that an Environmental Impact Report (EIR) may be prepared as a separate document, as part of a general plan or as part of a project report. The Act further specifies (Section 15166) that no separate EIR will be required provided:

1. The general plan addresses the points required for an EIR under Article 9 of the CEQA guidelines; and
2. The document contains a special section or cover sheet identifying where the general plan addresses the required points.

This Housing Element has been designed to function as its own EIR, incorporating the mandatory provisions of CEQA. The Laguna Beach Housing Element will not directly result in significant changes to the physical environment, since the document is a textual plan only, in contrast to an actual development project. This element is a legislative planning tool designed to identify the City's housing needs and set forth the community's plans and policies to address these needs. The element, however, will indirectly produce physical changes to the environment through implementation of its provisions. These "secondary effects" necessitate the need for this focused Environmental Impact Report, whereby individual and cumulative impacts may be identified.

### 2. ANALYSIS

Given the long-term nature of the Housing Element, it is not practical to apply each of the mandatory seven points of CEQA with the same degree of specificity that applies to an actual development project. In addition, since the element assumes a very broad orientation, it is impractical to assess specific environmental issues which may arise through implementation of the document. Therefore, this EIR represents the first step in a series of environmental assessments, with the final assessment made at the specific project level.

Presented below is an explanation of the seven points of CEQA as they apply to the Housing Element.

#### A. Description of the Project

This project involves the revision and adoption of the Housing Element for the City of Laguna Beach. The purpose of this project is to provide the public with an understanding of the community's housing needs, to set forth goals and policies and to establish an implementation action program. A more complete description and explanation of the project is contained in Section 1 of this element.



## **B. Description of Environmental Setting**

The Housing Element has citywide application. Generally, the City is characterized by a number of natural physical features including 4.2 linear miles of coastline, coastal bluffs, pastoral hillsides, undeveloped ridgelines and canyon bottoms.

## **C. Environmental Impacts and Mitigation Measures**

The Housing Element is not expected to result in any adverse impacts on the environment. The intent of this project is to establish an effective program for providing and expanding housing opportunities within Laguna Beach. The Housing Element identifies and evaluates the City's existing and projected housing needs followed by goals, policies and Implementation programs designed to address these housing needs. In this context, the policies and programs function to mitigate significant environmental effects (refer to Section V for discussion of specific goals, policies and programs).

## **D. Alternatives to the Proposed Action**

An extreme alternative to this project would be "no project", meaning no Housing Element. This decision would be violative of State law which mandates the adoption of certain general plan elements, inclusive of the Housing Element.

With regard to the contents of the Housing Element, State law sets forth precisely what aspects must be included in the element, thereby greatly reducing alternatives to the content of the element. However, alternatives to this project could involve a variety of changes to the goals, policies or programs of the element. Any alternative goals or policies are not likely to have a direct impact on the environment, since this element is only a textual plan.

## **E. Relationship Between Local Short-Term Uses of Man's Environment and the Maintenance and Enhancement of Long-Term Productivity**

The Housing Element is intended to provide the legislative authority for long-term decision making concerning issues relating to the City's existing and projected housing needs. The long-range benefits of this element are to be gained through the elimination or rehabilitation of substandard housing and the increase in available housing for low- and moderate-income households.

## **F. Any Significant Irreversible Environmental Changes Which Would be Involved in the Proposed Action Should it be Implemented**

Implementation of this element is not anticipated to result in the direct use of any renewable resources, nor is it expected to result in any adverse environmental impacts. Implementation of this element, particularly the granting of density bonuses, may increase residential densities in some areas within the City; however, it is not anticipated to result in an irreversible environmental change. Development and redevelopment within the City is subject to the City's

zoning regulations and general plan policies which provide for the preservation of environmentally sensitive areas and avoidance of natural hazards. Through application of the City's development review process, significant irreversible environmental changes are not anticipated to result from implementation of this element.

**G. Growth Inducing Impacts**

This element may result in the construction of additional housing within the City. The element encourages the production of affordable housing through its goals and policies and through the Coastal Zone Housing Program. These goals and policies, encouraging low- and moderate-income housing, are based upon the City's existing and projected housing needs. No significant environmental impacts are anticipated as a result of this additional housing. All environmental effects will be analyzed on a case-by-case basis in conjunction with the development review process.



SECTION VII: SUMMARY - 1990 HOUSING ELEMENT REVIEW





## SUMMARY - 1990 HOUSING ELEMENT REVIEW

### Appropriateness of Goals, Objectives and Policies

In the course of administering the Housing Element and preparing the 1990 Housing Element Review and Revision, the City determined that the goals and policies of the Housing Element have contributed to the attainment of State housing goals. As such, the goals and policies have only been slightly modified. Specific program objectives (housing programs) that have not been effective have been modified or deleted and some new programs have been added.

### Progress in Implementation

Measured in the broad context of total units needed, as determined by the Regional Housing Allocation Model (RHAM), the City has accomplished its goals and successfully implemented its housing programs. The total RHAM housing need identified in the 1985 Housing Element was 691 units. According to Laguna Beach Building Department records, the City issued building permits for 907 residential units during the period between January 1985 and January 1990. This five year production exceeds the number of State allocated units by 216.

### Effectiveness of the Element

When the City revised the Housing Element in 1985, it adopted new quantified objectives for the four year period between 1985 and 1989. Those quantified objectives are summarized in Table 5-5, page 81, of the 1985 Element. The following table shows the production of units for the same four year period.

Housing Units Produced  
(Jan. 1985 to January 1990)

|                                 | <u>Very Low</u> | <u>Low</u> | <u>Moderate</u> | <u>Upper</u> | <u>Total</u> |
|---------------------------------|-----------------|------------|-----------------|--------------|--------------|
| <u>Private Development</u>      |                 |            |                 |              |              |
| Kaufman and Broad               |                 |            | 421             | 274          | 695          |
| Irvine Cove                     |                 |            |                 | 25           | 25           |
| <u>Housing Element Programs</u> |                 |            |                 |              |              |
| Vista Aliso                     | 71              |            |                 |              | 71           |
| Broadway Plaza                  | 15              |            |                 |              | 15           |
| Mermaid Terrace                 |                 |            | 26              |              | 26           |
| New Units<br>Constructed        | 86              |            | 447             | 299          | 832          |

Development of new residential units within **major** projects totaled 832.

Building Permits for remodeling are the only source of information that the City currently has on housing rehabilitation activities in the community. It is not possible to determine which building permits for remodeling were for the purpose of rehabilitating substandard units. Due to the high land values in the community, most rehabilitation is done without involvement from the City. However, the City has assisted over 25 lower-income residents with its CDBG low-interest home repair loan program during the last five years. Until the 1990 Census is published, the City will not know the extent of substandard units in the community.

The preservation of affordable housing has been achieved through application of the Mobilehome Park Zone, the Historic Preservation Ordinance and the Condominium Conversion Regulations. It should be noted that the Mobilehome Zone has successfully preserved over 400 mobilehome units since it was adopted in late 1989. In addition, the City's Historic Preservation program has resulted in the renovation of over five residential units since it was adopted in 1989. The income levels of those individuals living in either mobilehomes or historic structures is, at this time, unknown. It is assumed, however, that mobilehome parks provide affordable housing opportunities and that the preservation of older, smaller beach cottages prevents large-scale single family development (housing which is generally thought to be more expensive).

The City has issued 17 demolition permits since December, 1985. Most of these demolition permits were for older, single-family dwelling units which were subsequently replaced with new, larger structures. As a consequence, the number of demolition permits issued is considered negligible since housing was replaced on a one for one basis. It is unknown whether or not these structures had low and/or moderate-income occupants.

The City adopted a requirement in 1989 that requires approval of plans for new construction prior to the issuance of demolition permits. This is intended to prevent residential properties from remaining vacant for extended periods of time and limits the temporary loss of housing stock.

From the information presented above it is clear that the Housing Element is an effective policy tool that has resulted in the attainment of the City's overall housing objectives for the development, rehabilitation and conservation of housing. The City has also made significant progress in the implementation of the Housing Element's goals for low- to moderate- income housing. During the last four years, there have been 533 units produced for very low, low and moderate-income households. In these same groups the RHAM showed a need for 241 units. In an effort to achieve its housing goals, the City has aggressively pursued private development of housing projects and offered a significant amount of government assistance when projects

have been proposed. The following actions have been taken to achieve the high number of units completed and to assist lower-income households, thereby implementing the goals, policies and action objectives of the Housing Element.

1. Utilized over \$400,000 of CDBG funds to construct and assist the 72-unit, very low-income, senior citizens housing project at Vista Aliso.
2. Expedited all City processing for the 26 moderate-income condominium units at Mermaid Terrace and the 15 very low-income units at the Broadway Plaza.
3. Reduced parking requirements for senior housing projects.
4. Provided rent subsidies to residents of the Broadway project while Section-8 certificate applications were being processed.
5. Provided density bonuses under Section 65915 of the Government Code.
6. Collected over \$500,000 of In-Lieu Housing Fees.
7. Amended the Local Business Professional Zone and other commercial zone to facilitate residential uses.
8. Adopted an Artists Joint Living and Working Quarters Ordinance to allow artists the opportunity to live and work in the same location.
9. Adopted a Second Unit Ordinance to allow additional units in single-family zones and to provide incentives for senior citizen occupancy.
10. Adopted a Mobilehome Zone to preserve existing mobilehome parks.
11. Adopted a Historic Preservation Ordinance to protect existing, smaller dwelling units from demolition.
12. Updated the in-lieu housing fee to more accurately reflect the cost of constructing very low, low and moderate income units.
13. Continued to solicit involvement from the City Council-appointed Housing Committee.
14. Provided emergency shelter for homeless individuals.
15. Granted over \$100,000 to a privately-sponsored shelter for individuals requiring emergency housing.



## ADDENDUM TO HOUSING ELEMENT

The following information and policies were derived from the South Laguna Specific Plan (SLSP) and are herein by reference added to the Laguna Beach Housing Element. In an effort to consolidate the SLSP with the Laguna Beach General Plan, some policies from the SLSP have been added to either the Land Use Element, the Open Space/Conservation Element, the Transportation/Circulation Element or the Seismic and Public Safety Element. Other policies have been eliminated due to the existence of comparable policies in the City's General Plan. The following additions/changes are to be included in the text of the Housing Element upon the update and reprinting of the document.

## 1. EXISTING CONDITIONS

The South Laguna area has a limited number of affordable housing units in the form of mobile homes or rental units concentrated into two general areas. There are two mobilehome parks which provide a total of approximately 426 mobile homes. Although the rent levels and economic status of the inhabitants have not been verified, it is likely that many of these units fall within the category of affordable. It is also believed that a significant number of affordable housing opportunities exist in the form of second units or granny flats. Most of these occur within the "Village" area. Currently there is insufficient data to identify how many of these units might currently meet the "affordability" criteria. In addition, many of these units were built illegally and are being amortized.

Market pressures in the village area encourage the improvement and upgradings of the existing housing stock in this area through rehabilitation, remodeling and additions, thus tending to reduce the amount of affordable housing that may now exist in the area. Elsewhere in the community, few if any affordable units presently exist insofar as the stock is predominantly good quality single-family detached or ocean oriented apartments and condominiums.

## 2. ISSUE ANALYSIS

Present market dynamics suggest that without a planned effort, the community of South Laguna will increasingly evolve into a middle-upper income residential enclave. For example, as elderly old timers (who may have fairly low incomes) vacate their old homes, they tend to be replaced by younger, more affluent households who can afford the high present market values of these homes. Similarly, the availability of a large market of affluent potential renters makes it attractive for existing landlords

to upgrade their rental properties and to cater to this market. Active efforts to preserve and expand local affordable housing opportunities will be necessary to offset these forces and preserve some type of socio-economic balance. The number of desirable affordable units is essentially open-ended given the range of possible opinions as to what should be an effective socio-economic balance for the community in future years.



U.C. BERKELEY LIBRARIES



C124907591



